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Montana Legislative History

Chapter: 455 Session L: 2019
Bill Number: 661 House

Checklist of Bill History

History and Final Status Sheet ☐
Introduced Bill ☐
Fiscal Note ☐
Third Reading Bill ☐
Final Version of Bill ☐

House	Senate
Committee: Transportation	Committee: Highways & Transportation
Hearing Date(s): 03/20/2019	Hearing Date(s): 04/13/2019
Committee Report: 03/26/2019	Committee Report: 04/13/2019

House	Senate
Committee: Appropriations	Committee: Finance & Claims
Hearing Date(s): 03/28/2019	Hearing Date(s): 04/09/2019
Committee Report: 03/29/2019	Committee Report:

Compiler Notes

Compiled by: S.K. Marshall

Date: 02/15/2024

Notes: Hearings are available on Legis. web-site!

Bill Draft Number: LC1526
Bill Type - Number: HB 661
Short Title: Revise aviation fuel taxation
Primary Sponsor: Geraldine Custer (R) HD 39
Chapter Number: 455

Bill Actions - **Current Bill Progress:** Became Law

Bill Action Count: 83

Action - Most Recent First	Date	Votes Yes	Votes No	Committee
Chapter Number Assigned	05/20/2019			
(H) Signed by Governor	05/10/2019			
(H) Transmitted to Governor	05/01/2019			
(S) Signed by President	04/30/2019			
(H) Signed by Speaker	04/26/2019			
(C) Printed - Enrolled Version Available	04/26/2019			
(H) Returned from Enrolling	04/25/2019			
(H) Sent to Enrolling	04/24/2019			
(H) 3rd Reading Passed as Amended by Senate	04/24/2019	67	32	
(H) Scheduled for 3rd Reading	04/24/2019			
(H) 2nd Reading Senate Amendments Concurred	04/23/2019	74	26	
(H) Scheduled for 2nd Reading	04/23/2019			
(S) Returned to House with Amendments	04/16/2019			
(S) 3rd Reading Concurred	04/16/2019	30	20	
(S) Scheduled for 3rd Reading	04/16/2019			
(S) 2nd Reading Concurred	04/15/2019	33	17	
(S) 2nd Reading Motion to Amend Failed	04/15/2019	17	33	
(H) Revised Fiscal Note Printed	04/15/2019			
(H) Revised Fiscal Note Signed	04/15/2019			
(H) Revised Fiscal Note Received	04/15/2019			
(S) Scheduled for 2nd Reading	04/15/2019			
(C) Printed - New Version Available	04/13/2019			
(S) Committee Report--Bill Concurred as Amended	04/13/2019			(S) Finance and Claims
(S) Committee Executive Action--Bill Concurred as Amended	04/13/2019	12	7	(S) Finance and Claims
(S) Hearing	04/13/2019			(S) Finance and Claims
(S) Rereferred to Committee	04/12/2019			(S) Finance and Claims
(S) Committee Report--Bill Concurred as Amended	04/12/2019			(S) Highways and Transportation
(H) Revised Fiscal Note Requested	04/12/2019			
(C) Printed - New Version Available	04/12/2019			
(S) Committee Executive Action--Bill Concurred as Amended	04/11/2019	6	4	(S) Highways and Transportation
(S) Hearing	04/09/2019			(S) Highways and Transportation
(S) Referred to Committee	04/04/2019			(S) Highways and Transportation
(S) First Reading	04/01/2019			
(H) Transmitted to Senate	03/30/2019			
(H) 3rd Reading Passed	03/30/2019	70	28	
(H) Scheduled for 3rd Reading	03/30/2019			
(H) Committee Report--Bill Passed	03/29/2019			(H) Appropriations
(H) Committee Executive Action--Bill Passed	03/28/2019	16	6	(H) Appropriations
(H) Hearing	03/28/2019			(H) Appropriations
(H) Rereferred to Committee	03/28/2019			(H) Appropriations
(H) 2nd Reading Passed	03/28/2019	71	29	
(H) 2nd Reading Motion to Amend Failed	03/28/2019	38	62	
(H) Scheduled for 2nd Reading	03/28/2019			

(H) Revised Fiscal Note Printed	03/28/2019			
(H) Revised Fiscal Note Signed	03/28/2019			
(H) Revised Fiscal Note Received	03/28/2019			
(H) Revised Fiscal Note Requested	03/26/2019			
(C) Printed - New Version Available	03/26/2019			
(H) Reconsidered Previous Action; Remains in 2nd Reading Process	03/26/2019	60	37	
(H) Committee Report--Bill Passed as Amended	03/26/2019			(H) Transportation
(H) Committee Executive Action--Bill Passed as Amended	03/25/2019	13	1	(H) Transportation
(H) Fiscal Note Printed	03/21/2019			
(H) Hearing	03/20/2019			(H) Transportation
(H) Fiscal Note Signed	03/20/2019			
(H) Fiscal Note Received	03/20/2019			
(H) First Reading	03/14/2019			(H) Transportation
(H) Referred to Committee	03/14/2019			(H) Transportation
(C) Introduced Bill Text Available Electronically	03/13/2019			
(H) Introduced	03/13/2019			
(H) Fiscal Note Requested	03/13/2019			
(C) Draft Delivered to Requester	03/12/2019			
(C) Draft Ready for Delivery	02/19/2019			
(C) Executive Director Final Review	02/15/2019			
(C) Bill Draft Text Available Electronically	02/14/2019			
(C) Draft in Final Drafter Review	02/14/2019			
(C) Draft to Drafter - Edit Review [KWK]	02/14/2019			
(C) Draft in Legal Review	02/13/2019			
(C) Draft Back for Redo	02/13/2019			
(C) Draft Ready for Delivery	02/12/2019			
(C) Executive Director Final Review	02/12/2019			
(C) Draft in Assembly	02/12/2019			
(C) Executive Director Review	02/12/2019			
(C) Bill Draft Text Available Electronically	02/12/2019			
(C) Draft in Final Drafter Review	02/12/2019			
(C) Draft in Input/Proofing	02/11/2019			
(C) Draft to Drafter - Edit Review [KWK]	02/11/2019			
(C) Draft in Edit	02/08/2019			
(C) Draft in Legal Review	02/08/2019			
(C) Draft On Hold	02/07/2019			
(C) Fiscal Note Probable	02/04/2019			
(C) Draft to Requester for Review	02/04/2019			
(C) Draft On Hold	02/01/2019			
(C) Draft Request Received	11/23/2018			

Sponsor, etc.

Sponsor, etc.	Last Name/Organization	First Name	Mi
Requester	Ankney	Duane	
Drafter	Moore	Megan	
Primary Sponsor	Custer	Geraldine	

Subjects

Description	Revenue/Approp.	Vote Majority Req.	Subject Code
Appropriations (see also: State Finance)	Appropriation	Simple	APP
Revenue, State	Revenue	Simple	REVS

Taxation (Generally)	Simple	TX
Taxation--Fuels	Simple	TXFU
Transportation (see also: Motor Vehicles; Taxation--Transportation)	Simple	TRAN

Additional Bill Information

Fiscal Note Probable: Yes
Preintroduction Required: N
Session Law Ch. Number: 455
DEADLINE
Category: Revenue Bills
Transmittal Date: 04/01/2019
Return (with 2nd house amendments) Date: 04/16/2019

Section Effective Dates

Section(s)	Effective Date	Date Qualified
All Sections	01-JUL-19	

HOUSE BILL NO. 661

INTRODUCED BY G. CUSTER

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AERONAUTICS FUNDING LAWS; INCREASING THE AVIATION FUEL TAX; REPEALING THE AVIATION FUEL TAX REFUND FOR SCHEDULED AIRLINES; REVISING THE DISTRIBUTION OF AVIATION FUEL TAXES; REVISING THE DISTRIBUTION OF AIRCRAFT REGISTRATION FEES; PROVIDING STATUTORY APPROPRIATIONS; AMENDING SECTIONS 15-70-403, 15-70-410, 15-70-425, 15-70-432, 17-7-502, 60-3-201, 67-1-301, 67-1-303, AND 67-3-205, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Aeronautics operations account.** (1) There is an aeronautics operations account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(a).

(2) Money in the account must be used for the purpose of administering department functions pertaining to aeronautical powers and duties as provided in 67-2-101.

NEW SECTION. **Section 2. Airport grant account.** (1) There is an airport grant account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(b).

(2) With the approval of the board, money in the account is statutorily appropriated, as provided in 17-7-502, and may be used only to provide grants to municipalities for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways.

(3) The board shall establish procedures for the awarding of grants. The grant procedures must include a provision allowing a grant for the entire local match required for a project funded with federal funds.

NEW SECTION. **Section 3. Aeronautics education account.** (1) There is an aeronautics education account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account

to the credit of the department pursuant to 67-1-301(3)(c).

(2) With the approval of the board, money in the account is statutorily appropriated, as provided in 17-7-502, and may be used only to provide grants for aviation education and aviation mechanics education including for educational programming, scholarships, equipment, and instructors.

(3) The board shall establish procedures for awarding the grants.

Section 4. Section 15-70-403, MCA, is amended to read:

"15-70-403. Gasoline and special fuel tax -- incidence -- rates. (1) The incidence of the fuel tax is on the distributor for the privilege of engaging in and carrying on business in this state. Each distributor shall pay to the department of transportation a tax in an amount equal to:

(a) for each gallon of gasoline distributed by the distributor within the state and upon which the gasoline tax has not been paid by any other distributor:

(i) 31.5 cents in fiscal years 2018 and 2019;

(ii) 32 cents in fiscal years 2020 and 2021;

(iii) 32.5 cents in fiscal year 2022; and

(iv) 33 cents in fiscal year 2023 and thereafter;

(b) for each gallon of special fuel distributed by the distributor within the state and on which the special fuel tax has not been paid by any other distributor:

(i) 29.25 cents in fiscal years 2018 and 2019;

(ii) 29.45 cents in fiscal years 2020 and 2021;

(iii) 29.55 cents in fiscal year 2022; and

(iv) 29.75 cents in fiscal year 2023 and thereafter; and

(c) ~~4~~ 14 cents for each gallon of aviation fuel, other than fuel sold to the federal defense fuel supply center, which is allocated to the department as provided by 67-1-301.

(2) The gasoline tax provided for in subsection (1)(a) must be deposited as follows:

(a) the revenue from 23 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d)

to the bridge and road safety and accountability restricted account provided for in 15-70-127.

(3) The special fuel tax provided for in subsection (1)(b) must be deposited as follows:

(a) the revenue from 23 3/4 cents of the tax to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax to the bridge and road safety and accountability restricted account provided for in 15-70-127.

(4) Gasoline or special fuel may not be included in the measure of the distributor's tax if it is sold for export unless the distributor is not licensed and is not paying the tax to the state where the fuel is destined.

(5) Special fuel may not be included in the measure of the distributor's tax if it is dyed by injector at a refinery or terminal for off-highway use.

(6) When no Montana fuel tax has been paid by a distributor or any other person, the department shall collect or cause to be collected from the owners or operators of motor vehicles operating on the public roads and highways of this state a tax equal to the tax rate provided for in subsection (1)(a) for gasoline and subsection (1)(b) for dyed or undyed special fuel. The tax must be paid for each gallon of gasoline or special fuel as defined in this part, or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used to produce motor power to operate motor vehicles on the public roads and highways of this state.

(7) The tax may not be imposed on dyed special fuel delivered into the fuel supply tank of a vehicle that is equipped with a feed delivery box if:

(a) the feed delivery box is permanently affixed to the vehicle;

(b) the vehicle is used exclusively for the feeding of livestock; and

(c) the gross vehicle weight of the vehicle, exclusive of any towed units, is greater than 12,000 pounds.

(8) All special fuel or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used in motor vehicles, motorized equipment, and the internal combustion of any engines, including stationary engines, and used in connection with any work performed under any contracts pertaining to the construction, reconstruction, or improvement of a highway or street and its appurtenances awarded by any public agencies, including federal, state, county, municipal, or other political subdivisions, must be undyed fuel on which Montana fuel tax has been paid.

(9) Material used for construction, reconstruction, or improvement in connection with work performed

under a contract as provided in subsection (8) must be produced using fuel on which Montana fuel tax has been paid."

Section 5. Section 15-70-410, MCA, is amended to read:

"15-70-410. Distributor's statement and payment -- confidentiality. (1) Each distributor shall, not later than the 25th day of each calendar month, except as provided in 15-70-113(3), render to the department of transportation a signed statement that specifies all gasoline or special fuel distributed and received by the distributor in this state during the preceding calendar month and that contains other information the department may reasonably require in order to administer the fuel tax law. The statement must be accompanied by a payment in an amount equal to the tax imposed by 15-70-403, less any refund credit issued under 15-70-425 and less 1% of the total tax that may be deducted by the distributor as an allowance for collection. An allowance may not be deducted from the ~~4-cent~~ tax on aviation fuel.

(2) A distributor engaged in or carrying on a business at more than one location in this state may include all places of business in one statement.

(3) The department or a deputy, assistant, agent, clerk, or other employee of the department may not publish or otherwise disseminate information contained in a statement required under this section in a form that allows identification of a distributor or a purchaser of fuel. This section does not prohibit:

(a) the delivery to a distributor or a distributor's authorized representative of a certified copy of any return or report filed in connection with the distributor's tax;

(b) the inspection by the attorney general or by another legal representative of the state of the report or return of a distributor who brings an action to set aside or review the tax based on the report or return or against whom an action or proceeding has been instituted in accordance with the provisions of Title 15;

(c) the publication of statistics classified to prevent the identification of particular reports or returns and the items in the reports or returns;

(d) the inspection by the commissioner of internal revenue of the United States or by the proper officer of any state imposing a tax on gasoline or special fuel or by any representative of either officer of the report or return of any distributor or the furnishing to the officer or authorized representative of an abstract of the report or return, but permission must be granted or information must be furnished to the officer or the officer's representative only if the statutes of the United States or the other state grant substantially similar privileges to the proper officer of this state charged with the administration of this chapter or in compliance with 15-70-121 and

15-70-122; or

(e) the compliance of the department with any order of a court of competent jurisdiction."

Section 6. Section 15-70-425, MCA, is amended to read:

"15-70-425. Refund or credit authorized. (1) A person who purchases and uses any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid for denaturing ethanol to be used in ethanol-blended gasoline, operating stationary gasoline or special fuel engines used off the public roads and highways of this state, or for any commercial use other than operating vehicles on any of the public roads and highways of this state is allowed a refund of the amount of tax paid directly or indirectly on the gasoline or special fuel used if the person has records, as provided in 15-70-426, to prove nontaxable use. The refund may not exceed the tax paid or to be paid to the state. ~~Except as provided in subsection (6), a~~ A refund is not allowed for the tax per gallon on aviation fuel allocated to the department of transportation as provided in 67-1-301.

(2) (a) The United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state is entitled to a refund of the taxes paid on special fuel regardless of the use of the special fuel.

(b) (i) A nonpublic school may use dyed special fuel in buses that are owned by the nonpublic school if the buses are used for the transportation of pupils solely for nonsectarian school-related purposes.

(ii) For the purposes of this subsection (2)(b), nonpublic schools are those schools that have been accredited pursuant to 20-7-102.

(3) A distributor who pays the gasoline or special fuel tax to this state erroneously is allowed a credit or refund of the amount of tax paid.

(4) (a) A distributor is entitled to a credit for the tax paid to the department on those sales of gasoline or special fuel with a tax liability of $200 or greater for which the distributor has not received consideration from or on behalf of the purchaser and for which the distributor has not forgiven any liability. The distributor shall have declared the accounts of the purchaser worthless not more than once during a 3-year period and claimed those accounts as bad debts for federal or state income tax purposes.

(b) If a credit has been granted under subsection (4)(a), any amount collected on the accounts declared worthless must be reported to the department and the tax due must be prorated on the collected amount and must be paid to the department.

(c) The department may require a distributor to submit periodic reports listing accounts that are

delinquent for 90 days or more.

(5) A person who purchases and exports for sale, use, or consumption outside Montana any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid is entitled to a credit or refund of the amount of tax paid unless the person is not licensed and is not paying the tax to the state where fuel is destined. Upon completion of the reports required under 15-70-416, the department shall authorize the credit or refund.

~~(6) A scheduled passenger air carrier certified under 14 CFR, part 121 or 135, may claim a refund of 2 cents on each gallon of aviation fuel purchased by the carrier on which the Montana gasoline tax has been paid. The refund must be paid from the account established in 67-1-301(3)(a)(ii).~~"

Section 7. Section 15-70-432, MCA, is amended to read:

"15-70-432. Application for refund or credit -- filing -- correction by department. (1) (a) Except as provided in subsection (1)(b), the application for a refund must be a signed statement on a form furnished by the department. Except for a claim for a credit for taxes paid on unpaid accounts or special fuel taxes paid by the United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state or except for a claim for a refund filed electronically, the form must be accompanied by the original bulk delivery invoice or invoices issued to the claimant at the time of each purchase and delivery and must show the total amount of gasoline or special fuel purchased ~~or aviation fuel purchased by a certified scheduled passenger air carrier~~, the total amount of gasoline or special fuel on which a refund is claimed, and the amount of the tax claimed for refund. A claim for a credit for taxes paid on accounts for which the distributor did not receive compensation must be accompanied by documents or copies of documents showing that the accounts were worthless and claimed as bad debts on the distributor's federal income tax return. Any further information pertaining to a claim must be furnished as required by the department.

(b) A claim for a refund that is filed electronically in the manner specified by the department does not require a signature or the original invoices.

(c) A claim for a refund that is filed electronically does not relieve the taxpayer of maintaining records on which the claim for a refund is based.

(2) A bulk delivery invoice issued by a dealer for a sale that does not qualify as a bulk delivery, as defined in 15-70-401, is not valid for refund purposes.

(3) All applications for refunds must be filed with the department within 36 months after the date on which

the gasoline or special fuel was purchased as shown by invoices or after the date on which the tax was erroneously paid. A distributor may file a claim for refund of taxes erroneously paid or for a credit for taxes paid by the distributor on unpaid accounts within 3 years after the date of payment.

(4) If the department finds that the statement contains errors that are not fraudulently inserted, it may correct the statement and approve it as corrected or the department may require the claimant to file an amended statement."

Section 8. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-1304; 10-4-304; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-9-905; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-321; 61-3-415; [section 2]; [section 3]; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-416; 76-17-103; 76-22-109; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,

paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments.(In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30, 2019; pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency; pursuant to sec. 27, Ch. 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015, the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of 17-7-215 terminates June 30, 2021; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec. 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates September 30, 2019; pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December 31, 2023; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30, 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to sec. 55, Ch. 151, L. 2017, the inclusion of 30-10-1004 terminates June 30, 2021; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8, Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec. 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023, and pursuant to sec. 2, Ch. 340, L. 2017, and sec. 32, Ch. 429, L. 2017, is void for fiscal years 2018 and 2019; and pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027.)"

Section 9. Section 60-3-201, MCA, is amended to read:

"60-3-201. Distribution and use of proceeds of gasoline tax. (1) Money received in payment of the gasoline tax under 15-70-403, except those amounts paid out of the department's suspense account for gasoline

tax refund, must be deposited as provided in 15-70-403(2) and (3) and used and expended as provided in 15-70-126 and 15-70-127 and this section. After deductions for amounts paid out of the suspense account for gasoline tax refunds, the remainder of the gasoline tax collected under 15-70-403 is allocated as follows:

(a) 9/10 of 1% to the state park account;

(b) 15/28 of 1% to a snowmobile account in the state special revenue fund;

(c) 1/8 of 1% to an off-highway vehicle account in the state special revenue fund;

(d) 1/25 of 1% to the aeronautics revenue fund of the department under the provisions of 67-1-301; and

(e) the remaining amount as provided for in 15-70-126 and 15-70-127.

(2) The department shall, in expending this money, carry forward construction from year to year, using the money expended in accordance with this title. Nothing in this title conflicts with Title 23 of the United States Code and the rules by which it is administered.

(3) The department may enter into cooperative agreements with the national park service and the federal highway administration for the purpose of maintaining national park approach roads in Montana.

(4) Money credited to the state park account in the state special revenue fund may be used only for the creation, improvement, and maintenance of state parks where motorboating is allowed. The legislature finds that of all the fuel sold in the state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 9/10 of 1% is used for propelling boats on waterways of this state.

(5) (a) Money credited to the snowmobile account may be used only to develop and maintain facilities open to the general public at no admission cost, to promote snowmobile safety, for enforcement purposes, and for the control of noxious weeds.

(b) Of the amounts deposited in the snowmobile account:

(i) 13% of the amount deposited must be used by the department of fish, wildlife, and parks to promote snowmobile safety and education and to enforce snowmobile laws. Two-thirds of the 13% deposited must be used to promote snowmobile safety and education and one-third of the 13% deposited must be used for the enforcement of snowmobile laws.

(ii) 1% of the amount deposited must be credited to the noxious weed management special revenue fund provided for in 80-7-816.

(c) The legislature finds that of all fuels sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 15/28 of 1% is used for propelling registered snowmobiles in this state.

(6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only to develop and maintain facilities open to the general public at no admission cost, to repair areas that are damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money deposited in the off-highway vehicle account must be used to promote off-highway vehicle safety. Up to 10% of the money deposited in the off-highway vehicle account may be used to repair areas that are damaged by off-highway vehicles.

(b) The legislature finds that of all fuel sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 1/8 of 1% is used for propelling off-highway vehicles in this state.

(7) Money credited to the aeronautics operations account ~~of the department of transportation~~ provided for in [section 1] may be used only to develop, improve, and maintain facilities open to the public at no admission cost and to promote aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal combustion engines~~, except fuel for which refunds have been made,~~ not less than 1/25 of 1% is used for propelling aircraft in this state."

Section 10. Section 67-1-301, MCA, is amended to read:

"67-1-301. Money -- receipt and disbursement. (1) All costs and expenses of administering this title, including the salaries of employees of the department engaged in functions pertaining to aeronautics, the expenses of members of the board, and all other disbursements necessary to carry out the purposes of this title, must be paid out of the following revenue:

(a) all gifts and all legislative appropriations to the department for aeronautics; and

(b) all money received from any branch or department of the federal government or from other sources for the purposes of this title or for the furtherance of aeronautics generally in this state.

(2) All money collected under subsection (1) must be deposited in the state treasury to the credit of the department.

(3) ~~(a) Except as provided in subsection (5), the~~ The following amounts must be deposited from the proceeds of the ~~4-cent-a-gallon~~ tax imposed on aviation fuel by 15-70-403(1)(c):

~~(i)~~(a) ~~in the state special revenue fund to the credit of the department~~ in the aeronautics operations account provided for in [section 1], an amount equal to the proceeds of 2 cents a gallon collected under 15-70-403(1)(c) for the sole purpose of carrying out ~~its~~ department functions pertaining to aeronautics; ~~and~~

~~(ii)~~(b) ~~in a separate~~ in the airport grant account ~~in the state special revenue fund to the credit of the department~~ provided for in [section 2], an amount equal to the proceeds of ~~2~~ 8 cents a gallon ~~to provide refunds pursuant to 15-70-425(6), to provide grants to municipalities for airport development or improvement programs, and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways~~;

(c) in the aeronautics education account provided for in [section 3], an amount equal to the proceeds of 4 cents a gallon for aeronautics education grants.

~~(b)~~(4) ~~Money deposited in the account created in 67-1-306 may, with the approval of the board, be used only to provide loans to local governments and state agencies for aeronautical purposes, including airport improvement. The board shall establish procedures, including the interest rate charged, for providing loans.~~ Proceeds of all repayments of loans, including interest, made under ~~this subsection (3)(b)~~ 67-1-307 must be deposited in the account ~~created~~ provided for in 67-1-306.

~~(c) Money deposited in the separate account established in subsection (3)(a)(ii) may, after refunds are provided pursuant to 15-70-425(6) and with the approval of the board, be used only to provide grants to municipalities for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways. The board shall establish procedures for the awarding of grants.~~

~~(4)~~(5) ~~Except as provided in 15-70-425, the~~ The gasoline tax imposed by the laws of this state on aviation fuel purchased and used for the operation of airplanes or aircraft may not be refunded.

~~(5) Of the amount of aviation fuel tax collected from the scheduled passenger air carriers certified under 14 CFR, part 121 or 135, 25% must be deposited in an account separate from the account established in subsection (3)(a)(ii) to be used only for pavement preservation grants, with the approval of the board, on airports served by these air carriers.~~"

Section 11. Section 67-1-303, MCA, is amended to read:

"67-1-303. Airline property tax -- state airports. (1) Within 30 days of receipt, the county treasurer shall transmit to the department of revenue 90% of the property tax collected on property of airline companies by reason of a state airport being located in the county.

(2) The department of revenue shall place the money in the ~~state special revenue fund to the credit of the department of transportation~~ aeronautics operations account provided for in [section 1] for the purposes

provided for in 67-1-301(3)(a)~~(i)~~."

Section 12. Section 67-3-205, MCA, is amended to read:

"67-3-205. Aircraft registration account -- source of funds -- allocation. (1) There is an account in the state special revenue fund to which must be credited all money received from fees paid in lieu of tax on aircraft, as required in 15-24-304 and this part, and all penalties collected for registration violations, as provided in 67-3-202.

(2) Money in the account is allocated as follows:

(a) ~~90%~~ 30% to the state general fund; and

(b) ~~10%~~ 70% to the ~~department~~ aeronautics operations account provided for in [section 1] ~~for the purpose of administering and enforcing aircraft registration~~.

(3) The allocations required in subsection (2) must be made when received by the department."

NEW SECTION. **Section 13. Codification instruction.** [Sections 1 through 3] are intended to be codified as an integral part of Title 67, chapter 1, part 3, and the provisions of Title 67, chapter 1, part 3, apply to [sections 1 through 3].

NEW SECTION. **Section 14. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION. **Section 15. Effective date.** [This act] is effective July 1, 2019.

NEW SECTION. **Section 16. Applicability.** [This act] applies to aviation fuel sold on or after [the effective date of this act] but does not apply to contracts for essential air services entered into before [the effective date of this act].

- END -

HOUSE BILL NO. 661

INTRODUCED BY G. CUSTER, D. ANKNEY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AERONAUTICS FUNDING LAWS; INCREASING THE AVIATION FUEL TAX; ~~REPEALING~~ REDUCING THE AVIATION FUEL TAX REFUND FOR SCHEDULED AIRLINES; REVISING THE DISTRIBUTION OF AVIATION FUEL TAXES; REVISING THE DISTRIBUTION OF AIRCRAFT REGISTRATION FEES; INCREASING AIRCRAFT REGISTRATION FEES; PROVIDING STATUTORY APPROPRIATIONS; AMENDING SECTIONS 15-70-403, 15-70-410, 15-70-425, 15-70-432, 17-7-502, 60-3-201, 67-1-301, 67-1-303, ~~AND~~ 67-3-205, AND 67-3-206, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Aeronautics operations account.** (1) There is an aeronautics operations account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(a).

(2) Money in the account must be used for the purpose of administering department functions pertaining to aeronautical powers and duties as provided in 67-2-101.

NEW SECTION. **Section 2. Airport grant account.** (1) There is an airport grant account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(b).

(2) With the approval of the board, money in the account is statutorily appropriated, as provided in 17-7-502, and may be used only to provide grants to ~~municipalities~~ LOCAL GOVERNMENTS for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways.

(3) The board shall establish procedures for the awarding of grants. The grant procedures must include a provision allowing a grant for the entire local match required for a project funded with federal funds.

~~NEW SECTION. **Section 3. Aeronautics education account.** (1) There is an aeronautics education~~

~~account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(c).~~

~~(2) With the approval of the board, money in the account is statutorily appropriated, as provided in 17-7-502, and may be used only to provide grants for aviation education and aviation mechanics education including for educational programming, scholarships, equipment, and instructors.~~

~~(3) The board shall establish procedures for awarding the grants.~~

Section 3. Section 15-70-403, MCA, is amended to read:

"15-70-403. Gasoline and special fuel tax -- incidence -- rates. (1) The incidence of the fuel tax is on the distributor for the privilege of engaging in and carrying on business in this state. Each distributor shall pay to the department of transportation a tax in an amount equal to:

(a) for each gallon of gasoline distributed by the distributor within the state and upon which the gasoline tax has not been paid by any other distributor:

(i) 31.5 cents in fiscal years 2018 and 2019;

(ii) 32 cents in fiscal years 2020 and 2021;

(iii) 32.5 cents in fiscal year 2022; and

(iv) 33 cents in fiscal year 2023 and thereafter;

(b) for each gallon of special fuel distributed by the distributor within the state and on which the special fuel tax has not been paid by any other distributor:

(i) 29.25 cents in fiscal years 2018 and 2019;

(ii) 29.45 cents in fiscal years 2020 and 2021;

(iii) 29.55 cents in fiscal year 2022; and

(iv) 29.75 cents in fiscal year 2023 and thereafter; and

(c) ~~4~~ ~~14~~ 6.5 cents for each gallon of aviation fuel, other than fuel sold to the federal defense fuel supply center, which is allocated to the department as provided by 67-1-301.

(2) The gasoline tax provided for in subsection (1)(a) must be deposited as follows:

(a) the revenue from 23 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the bridge and road safety and accountability restricted account provided for in 15-70-127.

(3) The special fuel tax provided for in subsection (1)(b) must be deposited as follows:

(a) the revenue from 23 3/4 cents of the tax to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax to the bridge and road safety and accountability restricted account provided for in 15-70-127.

(4) Gasoline or special fuel may not be included in the measure of the distributor's tax if it is sold for export unless the distributor is not licensed and is not paying the tax to the state where the fuel is destined.

(5) Special fuel may not be included in the measure of the distributor's tax if it is dyed by injector at a refinery or terminal for off-highway use.

(6) When no Montana fuel tax has been paid by a distributor or any other person, the department shall collect or cause to be collected from the owners or operators of motor vehicles operating on the public roads and highways of this state a tax equal to the tax rate provided for in subsection (1)(a) for gasoline and subsection (1)(b) for dyed or undyed special fuel. The tax must be paid for each gallon of gasoline or special fuel as defined in this part, or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used to produce motor power to operate motor vehicles on the public roads and highways of this state.

(7) The tax may not be imposed on dyed special fuel delivered into the fuel supply tank of a vehicle that is equipped with a feed delivery box if:

(a) the feed delivery box is permanently affixed to the vehicle;

(b) the vehicle is used exclusively for the feeding of livestock; and

(c) the gross vehicle weight of the vehicle, exclusive of any towed units, is greater than 12,000 pounds.

(8) All special fuel or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used in motor vehicles, motorized equipment, and the internal combustion of any engines, including stationary engines, and used in connection with any work performed under any contracts pertaining to the construction, reconstruction, or improvement of a highway or street and its appurtenances awarded by any public agencies, including federal, state, county, municipal, or other political subdivisions, must be undyed fuel on which Montana fuel tax has been paid.

(9) Material used for construction, reconstruction, or improvement in connection with work performed under a contract as provided in subsection (8) must be produced using fuel on which Montana fuel tax has been paid."

Section 4. Section 15-70-410, MCA, is amended to read:

"15-70-410. Distributor's statement and payment -- confidentiality. (1) Each distributor shall, not later than the 25th day of each calendar month, except as provided in 15-70-113(3), render to the department of transportation a signed statement that specifies all gasoline or special fuel distributed and received by the distributor in this state during the preceding calendar month and that contains other information the department may reasonably require in order to administer the fuel tax law. The statement must be accompanied by a payment in an amount equal to the tax imposed by 15-70-403, less any refund credit issued under 15-70-425 and less 1% of the total tax that may be deducted by the distributor as an allowance for collection. An allowance may not be deducted from the ~~4-cent~~ tax on aviation fuel.

(2) A distributor engaged in or carrying on a business at more than one location in this state may include all places of business in one statement.

(3) The department or a deputy, assistant, agent, clerk, or other employee of the department may not publish or otherwise disseminate information contained in a statement required under this section in a form that allows identification of a distributor or a purchaser of fuel. This section does not prohibit:

(a) the delivery to a distributor or a distributor's authorized representative of a certified copy of any return or report filed in connection with the distributor's tax;

(b) the inspection by the attorney general or by another legal representative of the state of the report or return of a distributor who brings an action to set aside or review the tax based on the report or return or against whom an action or proceeding has been instituted in accordance with the provisions of Title 15;

(c) the publication of statistics classified to prevent the identification of particular reports or returns and the items in the reports or returns;

(d) the inspection by the commissioner of internal revenue of the United States or by the proper officer of any state imposing a tax on gasoline or special fuel or by any representative of either officer of the report or return of any distributor or the furnishing to the officer or authorized representative of an abstract of the report or return, but permission must be granted or information must be furnished to the officer or the officer's representative only if the statutes of the United States or the other state grant substantially similar privileges to

the proper officer of this state charged with the administration of this chapter or in compliance with 15-70-121 and 15-70-122; or

(e) the compliance of the department with any order of a court of competent jurisdiction."

Section 5. Section 15-70-425, MCA, is amended to read:

"15-70-425. Refund or credit authorized. (1) A person who purchases and uses any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid for denaturing ethanol to be used in ethanol-blended gasoline, operating stationary gasoline or special fuel engines used off the public roads and highways of this state, or for any commercial use other than operating vehicles on any of the public roads and highways of this state is allowed a refund of the amount of tax paid directly or indirectly on the gasoline or special fuel used if the person has records, as provided in 15-70-426, to prove nontaxable use. The refund may not exceed the tax paid or to be paid to the state. ~~Except as provided in subsection (6), a~~ A refund is not allowed for the tax per gallon on aviation fuel allocated to the department of transportation as provided in 67-1-301.

(2) (a) The United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state is entitled to a refund of the taxes paid on special fuel regardless of the use of the special fuel.

(b) (i) A nonpublic school may use dyed special fuel in buses that are owned by the nonpublic school if the buses are used for the transportation of pupils solely for nonsectarian school-related purposes.

(ii) For the purposes of this subsection (2)(b), nonpublic schools are those schools that have been accredited pursuant to 20-7-102.

(3) A distributor who pays the gasoline or special fuel tax to this state erroneously is allowed a credit or refund of the amount of tax paid.

(4) (a) A distributor is entitled to a credit for the tax paid to the department on those sales of gasoline or special fuel with a tax liability of $200 or greater for which the distributor has not received consideration from or on behalf of the purchaser and for which the distributor has not forgiven any liability. The distributor shall have declared the accounts of the purchaser worthless not more than once during a 3-year period and claimed those accounts as bad debts for federal or state income tax purposes.

(b) If a credit has been granted under subsection (4)(a), any amount collected on the accounts declared worthless must be reported to the department and the tax due must be prorated on the collected amount and must be paid to the department.

(c) The department may require a distributor to submit periodic reports listing accounts that are delinquent for 90 days or more.

(5) A person who purchases and exports for sale, use, or consumption outside Montana any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid is entitled to a credit or refund of the amount of tax paid unless the person is not licensed and is not paying the tax to the state where fuel is destined. Upon completion of the reports required under 15-70-416, the department shall authorize the credit or refund.

(6) A SCHEDULED PASSENGER AIR CARRIER CERTIFIED UNDER 14 CFR, PART 121 OR 135, MAY CLAIM A REFUND OF:

(A) 2 CENTS ON EACH GALLON OF AVIATION FUEL PURCHASED BY THE CARRIER PRIOR TO JULY 1, 2021, ON WHICH THE MONTANA GASOLINE TAX HAS BEEN PAID.

(B) 1 CENT ON EACH GALLON OF AVIATION FUEL PURCHASED BY THE CARRIER ON OR AFTER JULY 1, 2021, ON WHICH THE MONTANA GASOLINE TAX HAS BEEN PAID.

~~(6) A scheduled passenger air carrier certified under 14 CFR, part 121 or 135, may claim a refund of 2 cents on each gallon of aviation fuel purchased by the carrier on which the Montana gasoline tax has been paid. The refund must be paid from the account established in 67-1-301(3)(a)(ii).~~"

Section 6. Section 15-70-432, MCA, is amended to read:

"15-70-432. Application for refund or credit -- filing -- correction by department. (1) (a) Except as provided in subsection (1)(b), the application for a refund must be a signed statement on a form furnished by the department. Except for a claim for a credit for taxes paid on unpaid accounts or special fuel taxes paid by the United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state or except for a claim for a refund filed electronically, the form must be accompanied by the original bulk delivery invoice or invoices issued to the claimant at the time of each purchase and delivery and must show the total amount of gasoline or special fuel purchased ~~or aviation fuel purchased by a certified scheduled passenger air carrier~~, the total amount of gasoline or special fuel on which a refund is claimed, and the amount of the tax claimed for refund. A claim for a credit for taxes paid on accounts for which the distributor did not receive compensation must be accompanied by documents or copies of documents showing that the accounts were worthless and claimed as bad debts on the distributor's federal income tax return. Any further information pertaining to a claim must be furnished as required by the department.

(b) A claim for a refund that is filed electronically in the manner specified by the department does not require a signature or the original invoices.

(c) A claim for a refund that is filed electronically does not relieve the taxpayer of maintaining records on which the claim for a refund is based.

(2) A bulk delivery invoice issued by a dealer for a sale that does not qualify as a bulk delivery, as defined in 15-70-401, is not valid for refund purposes.

(3) ~~All~~ (A) EXCEPT AS PROVIDED IN SUBSECTION (3)(B), ALL applications for refunds must be filed with the department within 36 months after the date on which the gasoline or special fuel was purchased as shown by invoices or after the date on which the tax was erroneously paid. A distributor may file a claim for refund of taxes erroneously paid or for a credit for taxes paid by the distributor on unpaid accounts within 3 years after the date of payment.

(B) ALL APPLICATIONS FOR REFUNDS ON PURCHASES OF AVIATION FUEL MADE ON OR AFTER JULY 1, 2019, MUST BE FILED WITH THE DEPARTMENT WITHIN 12 MONTHS AFTER THE DATE OF PURCHASE AS SHOWN BY INVOICES OR AFTER THE DATE ON WHICH THE TAX WAS ERRONEOUSLY PAID. A DISTRIBUTOR MAY FILE A CLAIM FOR REFUND OF TAXES ERRONEOUSLY PAID OR FOR A CREDIT FOR TAXES PAID BY THE DISTRIBUTOR ON UNPAID ACCOUNTS WITHIN 1 YEAR AFTER THE DATE OF PAYMENT ON PURCHASES MADE ON OR AFTER JULY 1, 2019.

(4) If the department finds that the statement contains errors that are not fraudulently inserted, it may correct the statement and approve it as corrected or the department may require the claimant to file an amended statement."

Section 7. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120;

5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-1304; 10-4-304; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-9-905; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-321; 61-3-415; [section 2]; ~~[section 3];~~ 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-416; 76-17-103; 76-22-109; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments.(In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30, 2019; pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency; pursuant to sec. 27, Ch. 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015, the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of 17-7-215 terminates June 30, 2021; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec.

10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates September 30, 2019; pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December 31, 2023; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30, 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to sec. 55, Ch. 151, L. 2017, the inclusion of 30-10-1004 terminates June 30, 2021; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8, Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec. 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023, and pursuant to sec. 2, Ch. 340, L. 2017, and sec. 32, Ch. 429, L. 2017, is void for fiscal years 2018 and 2019; and pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027.)"

Section 8. Section 60-3-201, MCA, is amended to read:

"60-3-201. Distribution and use of proceeds of gasoline tax. (1) Money received in payment of the gasoline tax under 15-70-403, except those amounts paid out of the department's suspense account for gasoline tax refund, must be deposited as provided in 15-70-403(2) and (3) and used and expended as provided in 15-70-126 and 15-70-127 and this section. After deductions for amounts paid out of the suspense account for gasoline tax refunds, the remainder of the gasoline tax collected under 15-70-403 is allocated as follows:

(a) 9/10 of 1% to the state park account;

(b) 15/28 of 1% to a snowmobile account in the state special revenue fund;

(c) 1/8 of 1% to an off-highway vehicle account in the state special revenue fund;

(d) 1/25 of 1% to the aeronautics revenue fund of the department under the provisions of 67-1-301; and

(e) the remaining amount as provided for in 15-70-126 and 15-70-127.

(2) The department shall, in expending this money, carry forward construction from year to year, using the money expended in accordance with this title. Nothing in this title conflicts with Title 23 of the United States Code and the rules by which it is administered.

(3) The department may enter into cooperative agreements with the national park service and the federal highway administration for the purpose of maintaining national park approach roads in Montana.

(4) Money credited to the state park account in the state special revenue fund may be used only for the creation, improvement, and maintenance of state parks where motorboating is allowed. The legislature finds that of all the fuel sold in the state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 9/10 of 1% is used for propelling boats on waterways of this state.

(5) (a) Money credited to the snowmobile account may be used only to develop and maintain facilities open to the general public at no admission cost, to promote snowmobile safety, for enforcement purposes, and for the control of noxious weeds.

(b) Of the amounts deposited in the snowmobile account:

(i) 13% of the amount deposited must be used by the department of fish, wildlife, and parks to promote snowmobile safety and education and to enforce snowmobile laws. Two-thirds of the 13% deposited must be used to promote snowmobile safety and education and one-third of the 13% deposited must be used for the enforcement of snowmobile laws.

(ii) 1% of the amount deposited must be credited to the noxious weed management special revenue fund provided for in 80-7-816.

(c) The legislature finds that of all fuels sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 15/28 of 1% is used for propelling registered snowmobiles in this state.

(6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only to develop and maintain facilities open to the general public at no admission cost, to repair areas that are damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money deposited in the off-highway vehicle account must be used to promote off-highway vehicle safety. Up to 10% of the money deposited in the off-highway vehicle account may be used to repair areas that are damaged by off-highway vehicles.

(b) The legislature finds that of all fuel sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 1/8 of 1% is used for propelling off-highway vehicles in this state.

(7) Money credited to the aeronautics operations account ~~of the department of transportation~~ provided for in [section 1] may be used only to develop, improve, and maintain facilities open to the public at no admission cost and to promote aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal combustion engines~~, except fuel for which refunds have been made,~~ not less than 1/25 of 1% is used for propelling aircraft in this state."

Section 9. Section 67-1-301, MCA, is amended to read:

"67-1-301. Money -- receipt and disbursement. (1) All costs and expenses of administering this title,

including the salaries of employees of the department engaged in functions pertaining to aeronautics, the expenses of members of the board, and all other disbursements necessary to carry out the purposes of this title, must be paid out of the following revenue:

(a) all gifts and all legislative appropriations to the department for aeronautics; and

(b) all money received from any branch or department of the federal government or from other sources for the purposes of this title or for the furtherance of aeronautics generally in this state.

(2) All money collected under subsection (1) must be deposited in the state treasury to the credit of the department.

(3) ~~(a) Except as provided in subsection (5), the~~ The following amounts must be deposited from the proceeds of the ~~4-cent-a-gallon~~ tax imposed on aviation fuel by 15-70-403(1)(c):

~~(i)~~(a) ~~in the state special revenue fund to the credit of the department~~ in the aeronautics operations account provided for in [section 1], an amount equal to the proceeds of 2 cents a gallon collected under 15-70-403(1)(c) for the sole purpose of carrying out ~~its~~ department functions pertaining to aeronautics; ~~and~~

~~(ii)~~(b) ~~in a separate~~ in the airport grant account ~~in the state special revenue fund to the credit of the department~~ provided for in [section 2], an amount equal to the proceeds of ~~2~~ ~~8~~ 4.5 cents a gallon ~~to provide refunds pursuant to 15-70-425(6), to provide grants to municipalities for airport development or improvement programs, and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways;~~.

~~(c) in the aeronautics education account provided for in [section 3], an amount equal to the proceeds of 4 cents a gallon for aeronautics education grants.~~

~~(b)~~(4) ~~Money deposited in the account created in 67-1-306 may, with the approval of the board, be used only to provide loans to local governments and state agencies for aeronautical purposes, including airport improvement. The board shall establish procedures, including the interest rate charged, for providing loans.~~ Proceeds of all repayments of loans, including interest, made under ~~this subsection (3)(b)~~ 67-1-307 must be deposited in the account ~~created~~ provided for in 67-1-306.

~~(c) Money deposited in the separate account established in subsection (3)(a)(ii) may, after refunds are provided pursuant to 15-70-425(6) and with the approval of the board, be used only to provide grants to municipalities for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways. The board shall establish procedures for the awarding of grants.~~

~~(4)~~(5) ~~Except as provided in 15-70-425, the~~ The gasoline tax imposed by the laws of this state on aviation fuel purchased and used for the operation of airplanes or aircraft may not be refunded.

~~(5) Of the amount of aviation fuel tax collected from the scheduled passenger air carriers certified under 14 CFR, part 121 or 135, 25% must be deposited in an account separate from the account established in subsection (3)(a)(ii) to be used only for pavement preservation grants, with the approval of the board, on airports served by these air carriers.~~"

Section 10. Section 67-1-303, MCA, is amended to read:

"67-1-303. Airline property tax -- state airports. (1) Within 30 days of receipt, the county treasurer shall transmit to the department of revenue 90% of the property tax collected on property of airline companies by reason of a state airport being located in the county.

(2) The department of revenue shall place the money in the ~~state special revenue fund to the credit of the department of transportation~~ aeronautics operations account provided for in [section 1] for the purposes provided for in 67-1-301(3)(a)~~(i)~~."

Section 11. Section 67-3-205, MCA, is amended to read:

"67-3-205. Aircraft registration account -- source of funds -- allocation. (1) There is an account in the state special revenue fund to which must be credited all money received from fees paid in lieu of tax on aircraft, as required in 15-24-304 and this part, and all penalties collected for registration violations, as provided in 67-3-202.

(2) Money in the account is allocated as follows:

(a) ~~90% 30% to the state general fund~~ 70% TO THE AIRPORT GRANT ACCOUNT IN THE STATE SPECIAL REVENUE FUND PROVIDED FOR IN [SECTION 2]; and

(b) ~~10% 70%~~ 30% to the ~~department~~ aeronautics operations account provided for in [section 1] ~~for the purpose of administering and enforcing aircraft registration~~.

(3) The allocations required in subsection (2) must be made when received by the department."

SECTION 12. SECTION 67-3-206, MCA, IS AMENDED TO READ:

"67-3-206. Schedule of fees in lieu of tax for aircraft. (1) The appropriate fee in lieu of tax imposed on aircraft is based on the age and type of aircraft and must be determined from the following schedule:

	YEARS				
	0 - 5	6 - 10	11 - 20	21 - 30	31 - 40
Single engine, fixed gear, 200 horsepower and under	$ ~~300~~ 450	$ ~~175~~ 262.5	$~~100~~ 150	$ ~~50~~ 75	$ ~~25~~ 37.5
Single engine, fixed gear, over 200 horsepower	~~500~~ 750	~~250~~ 375	~~150~~ 225	~~75~~ 112.5	~~50~~ 75
Single engine, retractable gear, 200 horsepower and under	~~600~~ 900	~~300~~ 450	~~175~~ 262.5	~~100~~ 150	~~75~~ 112.5
Single engine, retractable gear, over 200 horsepower	~~700~~ 1,050	~~400~~ 600	~~200~~ 300	~~125~~ 187.5	~~100~~ 150
Multi-engine, piston engine	~~800~~ 1,200	~~500~~ 750	~~250~~ 375	~~175~~ 262.5	~~150~~ 225
Helicopter, piston engine	~~700~~ 1,050	~~450~~ 675	~~225~~ 337.5	~~150~~ 225	~~125~~ 187.5
Single engine jet helicopter, prop jet	~~1,500~~ 2,250	~~700~~ 1,050	~~450~~ 675	~~300~~ 450	~~175~~ 262.5

Multi-engine jet helicopter, prop jet	~~2,000~~ 3,000	~~1,000~~ 1,500	~~600~~ 900	~~400~~ 600	~~200~~ 300
Jet engine, no propeller	~~3,000~~ 4,500	~~1,500~~ 2,250	~~800~~ 1,200	~~500~~ 750	~~250~~ 375

(2) (a) Except as provided in subsection (2)(b), the age of an aircraft is determined by subtracting the manufacturer's designated model year from the current calendar year.

(b) If the purchase year of an aircraft precedes the designated model year of the aircraft and the aircraft is originally titled in Montana, then the purchase year is considered the model year for the purposes of calculating the fee in lieu of tax.

(3) The fee in lieu of tax imposed on any glider, ultralight, gyrocopter, balloon, homebuilt aircraft, antiques, or any aircraft over 40 years old is ~~$20~~ $30."

NEW SECTION. **Section 13. Codification instruction.** [Sections 1 ~~through 3~~ AND 2] are intended to be codified as an integral part of Title 67, chapter 1, part 3, and the provisions of Title 67, chapter 1, part 3, apply to [sections 1 ~~through 3~~ AND 2].

NEW SECTION. **Section 14. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION. **Section 15. Effective date.** [This act] is effective July 1, 2019.

NEW SECTION. **Section 16. Applicability.** [This act] applies to aviation fuel sold on or after [the effective date of this act] but does not apply to contracts for essential air services entered into before [the effective date of this act].

- END -

HOUSE BILL NO. 661

INTRODUCED BY G. CUSTER, D. ANKNEY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AERONAUTICS FUNDING LAWS; INCREASING THE AVIATION FUEL TAX; ~~REPEALING~~ ~~REDUCING~~ REPEALING THE AVIATION FUEL TAX REFUND FOR SCHEDULED AIRLINES; REVISING THE DISTRIBUTION OF AVIATION FUEL TAXES; REVISING THE DISTRIBUTION OF AIRCRAFT REGISTRATION FEES; INCREASING AIRCRAFT REGISTRATION FEES; PROVIDING STATUTORY APPROPRIATIONS; AMENDING SECTIONS 15-70-403, 15-70-410, 15-70-425, 15-70-432, 17-7-502, 60-3-201, 67-1-301, 67-1-303, ~~AND~~ 67-3-205, AND 67-3-206, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Aeronautics operations account.** (1) There is an aeronautics operations account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(a).

(2) Money in the account must be used for the purpose of administering department functions pertaining to aeronautical powers and duties as provided in 67-2-101.

NEW SECTION. **Section 2. Airport grant account.** (1) There is an airport grant account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(b).

(2) ~~With the approval of the board, money~~ MONEY in the account is statutorily appropriated, as provided in 17-7-502, and WITH THE APPROVAL OF THE BOARD may be used ~~only~~ to provide grants to ~~municipalities~~ LOCAL GOVERNMENTS for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways.

(3) The board shall establish procedures for the awarding of grants. The grant procedures must include a provision allowing a grant for the entire local match required for a project funded with federal funds.

~~NEW SECTION.~~ **~~Section 3. Aeronautics education account.~~** ~~(1) There is an aeronautics education account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(c).~~

~~(2) With the approval of the board, money in the account is statutorily appropriated, as provided in 17-7-502, and may be used only to provide grants for aviation education and aviation mechanics education including for educational programming, scholarships, equipment, and instructors.~~

~~(3) The board shall establish procedures for awarding the grants.~~

Section 3. Section 15-70-403, MCA, is amended to read:

"15-70-403. Gasoline, ~~and~~ special fuel, AND AVIATION FUEL tax -- incidence -- rates. (1) The incidence of the fuel tax is on the distributor for the privilege of engaging in and carrying on business in this state. Each distributor shall pay to the department of transportation a tax in an amount equal to:

(a) for each gallon of gasoline distributed by the distributor within the state and upon which the gasoline tax has not been paid by any other distributor:

(i) 31.5 cents in fiscal years 2018 and 2019;

(ii) 32 cents in fiscal years 2020 and 2021;

(iii) 32.5 cents in fiscal year 2022; and

(iv) 33 cents in fiscal year 2023 and thereafter;

(b) for each gallon of special fuel distributed by the distributor within the state and on which the special fuel tax has not been paid by any other distributor:

(i) 29.25 cents in fiscal years 2018 and 2019;

(ii) 29.45 cents in fiscal years 2020 and 2021;

(iii) 29.55 cents in fiscal year 2022; and

(iv) 29.75 cents in fiscal year 2023 and thereafter; and

(c) ~~4~~ ~~14~~ ~~6.5~~ 5 cents for each gallon of aviation fuel, other than fuel sold to the federal defense fuel supply center, which is allocated to the department as provided by 67-1-301.

(2) The gasoline tax provided for in subsection (1)(a) must be deposited as follows:

(a) the revenue from 23 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d)

to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the bridge and road safety and accountability restricted account provided for in 15-70-127.

(3) The special fuel tax provided for in subsection (1)(b) must be deposited as follows:

(a) the revenue from 23 3/4 cents of the tax to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax to the bridge and road safety and accountability restricted account provided for in 15-70-127.

(4) Gasoline or special fuel may not be included in the measure of the distributor's tax if it is sold for export unless the distributor is not licensed and is not paying the tax to the state where the fuel is destined.

(5) Special fuel may not be included in the measure of the distributor's tax if it is dyed by injector at a refinery or terminal for off-highway use.

(6) When no Montana fuel tax has been paid by a distributor or any other person, the department shall collect or cause to be collected from the owners or operators of motor vehicles operating on the public roads and highways of this state a tax equal to the tax rate provided for in subsection (1)(a) for gasoline and subsection (1)(b) for dyed or undyed special fuel. The tax must be paid for each gallon of gasoline or special fuel as defined in this part, or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used to produce motor power to operate motor vehicles on the public roads and highways of this state.

(7) The tax may not be imposed on dyed special fuel delivered into the fuel supply tank of a vehicle that is equipped with a feed delivery box if:

(a) the feed delivery box is permanently affixed to the vehicle;

(b) the vehicle is used exclusively for the feeding of livestock; and

(c) the gross vehicle weight of the vehicle, exclusive of any towed units, is greater than 12,000 pounds.

(8) All special fuel or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used in motor vehicles, motorized equipment, and the internal combustion of any engines, including stationary engines, and used in connection with any work performed under any contracts pertaining to the construction, reconstruction, or improvement of a highway or street and its appurtenances awarded by any public agencies, including federal, state, county, municipal, or other political

subdivisions, must be undyed fuel on which Montana fuel tax has been paid.

(9) Material used for construction, reconstruction, or improvement in connection with work performed under a contract as provided in subsection (8) must be produced using fuel on which Montana fuel tax has been paid."

Section 4. Section 15-70-410, MCA, is amended to read:

"15-70-410. Distributor's statement and payment -- confidentiality. (1) Each distributor shall, not later than the 25th day of each calendar month, except as provided in 15-70-113(3), render to the department of transportation a signed statement that specifies all gasoline or special fuel distributed and received by the distributor in this state during the preceding calendar month and that contains other information the department may reasonably require in order to administer the fuel tax law. The statement must be accompanied by a payment in an amount equal to the tax imposed by 15-70-403, less any refund credit issued under 15-70-425 and less 1% of the total tax that may be deducted by the distributor as an allowance for collection. An allowance may not be deducted from the ~~4-cent~~ tax on aviation fuel.

(2) A distributor engaged in or carrying on a business at more than one location in this state may include all places of business in one statement.

(3) The department or a deputy, assistant, agent, clerk, or other employee of the department may not publish or otherwise disseminate information contained in a statement required under this section in a form that allows identification of a distributor or a purchaser of fuel. This section does not prohibit:

(a) the delivery to a distributor or a distributor's authorized representative of a certified copy of any return or report filed in connection with the distributor's tax;

(b) the inspection by the attorney general or by another legal representative of the state of the report or return of a distributor who brings an action to set aside or review the tax based on the report or return or against whom an action or proceeding has been instituted in accordance with the provisions of Title 15;

(c) the publication of statistics classified to prevent the identification of particular reports or returns and the items in the reports or returns;

(d) the inspection by the commissioner of internal revenue of the United States or by the proper officer of any state imposing a tax on gasoline or special fuel or by any representative of either officer of the report or return of any distributor or the furnishing to the officer or authorized representative of an abstract of the report or return, but permission must be granted or information must be furnished to the officer or the officer's

representative only if the statutes of the United States or the other state grant substantially similar privileges to the proper officer of this state charged with the administration of this chapter or in compliance with 15-70-121 and 15-70-122; or

(e) the compliance of the department with any order of a court of competent jurisdiction."

Section 5. Section 15-70-425, MCA, is amended to read:

"15-70-425. Refund or credit authorized. (1) A person who purchases and uses any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid for denaturing ethanol to be used in ethanol-blended gasoline, operating stationary gasoline or special fuel engines used off the public roads and highways of this state, or for any commercial use other than operating vehicles on any of the public roads and highways of this state is allowed a refund of the amount of tax paid directly or indirectly on the gasoline or special fuel used if the person has records, as provided in 15-70-426, to prove nontaxable use. The refund may not exceed the tax paid or to be paid to the state. ~~Except as provided in subsection (6), a~~ A refund is not allowed for the tax per gallon on aviation fuel allocated to the department of transportation as provided in 67-1-301.

(2) (a) The United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state is entitled to a refund of the taxes paid on special fuel regardless of the use of the special fuel.

(b) (i) A nonpublic school may use dyed special fuel in buses that are owned by the nonpublic school if the buses are used for the transportation of pupils solely for nonsectarian school-related purposes.

(ii) For the purposes of this subsection (2)(b), nonpublic schools are those schools that have been accredited pursuant to 20-7-102.

(3) A distributor who pays the gasoline or special fuel tax to this state erroneously is allowed a credit or refund of the amount of tax paid.

(4) (a) A distributor is entitled to a credit for the tax paid to the department on those sales of gasoline or special fuel with a tax liability of $200 or greater for which the distributor has not received consideration from or on behalf of the purchaser and for which the distributor has not forgiven any liability. The distributor shall have declared the accounts of the purchaser worthless not more than once during a 3-year period and claimed those accounts as bad debts for federal or state income tax purposes.

(b) If a credit has been granted under subsection (4)(a), any amount collected on the accounts declared worthless must be reported to the department and the tax due must be prorated on the collected amount and

must be paid to the department.

(c) The department may require a distributor to submit periodic reports listing accounts that are delinquent for 90 days or more.

(5) A person who purchases and exports for sale, use, or consumption outside Montana any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid is entitled to a credit or refund of the amount of tax paid unless the person is not licensed and is not paying the tax to the state where fuel is destined. Upon completion of the reports required under 15-70-416, the department shall authorize the credit or refund.

~~(6) A SCHEDULED PASSENGER AIR CARRIER CERTIFIED UNDER 14 CFR, PART 121 OR 135, MAY CLAIM A REFUND OF:~~

~~(A) 2 CENTS ON EACH GALLON OF AVIATION FUEL PURCHASED BY THE CARRIER PRIOR TO JULY 1, 2021, ON WHICH THE MONTANA GASOLINE TAX HAS BEEN PAID.~~

~~(B) 1 CENT ON EACH GALLON OF AVIATION FUEL PURCHASED BY THE CARRIER ON OR AFTER JULY 1, 2021, ON WHICH THE MONTANA GASOLINE TAX HAS BEEN PAID.~~

~~(6) A scheduled passenger air carrier certified under 14 CFR, part 121 or 135, may claim a refund of 2 cents on each gallon of aviation fuel purchased by the carrier on which the Montana gasoline tax has been paid. The refund must be paid from the account established in 67-1-301(3)(a)(ii).~~"

Section 6. Section 15-70-432, MCA, is amended to read:

"15-70-432. Application for refund or credit -- filing -- correction by department. (1) (a) Except as provided in subsection (1)(b), the application for a refund must be a signed statement on a form furnished by the department. Except for a claim for a credit for taxes paid on unpaid accounts or special fuel taxes paid by the United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state or except for a claim for a refund filed electronically, the form must be accompanied by the original bulk delivery invoice or invoices issued to the claimant at the time of each purchase and delivery and must show the total amount of gasoline or special fuel purchased ~~or aviation fuel purchased by a certified scheduled passenger air carrier~~, the total amount of gasoline or special fuel on which a refund is claimed, and the amount of the tax claimed for refund. A claim for a credit for taxes paid on accounts for which the distributor did not receive compensation must be accompanied by documents or copies of documents showing that the accounts were worthless and claimed as bad debts on the distributor's federal income tax return. Any further

information pertaining to a claim must be furnished as required by the department.

(b) A claim for a refund that is filed electronically in the manner specified by the department does not require a signature or the original invoices.

(c) A claim for a refund that is filed electronically does not relieve the taxpayer of maintaining records on which the claim for a refund is based.

(2) A bulk delivery invoice issued by a dealer for a sale that does not qualify as a bulk delivery, as defined in 15-70-401, is not valid for refund purposes.

(3) ~~All (a) Except as provided in subsection (3)(b), all~~ All applications for refunds must be filed with the department within 36 months after the date on which the gasoline or special fuel was purchased as shown by invoices or after the date on which the tax was erroneously paid. A distributor may file a claim for refund of taxes erroneously paid or for a credit for taxes paid by the distributor on unpaid accounts within 3 years after the date of payment.

~~(b) All applications for refunds on purchases of aviation fuel made on or after July 1, 2019, must be filed with the department within 12 months after the date of purchase as shown by invoices or after the date on which the tax was erroneously paid. A distributor may file a claim for refund of taxes erroneously paid or for a credit for taxes paid by the distributor on unpaid accounts within 1 year after the date of payment on purchases made on or after July 1, 2019.~~

(4) If the department finds that the statement contains errors that are not fraudulently inserted, it may correct the statement and approve it as corrected or the department may require the claimant to file an amended statement."

Section 7. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-1304; 10-4-304; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-9-905; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-321; 61-3-415; [section 2]; ~~[section 3];~~ 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-416; 76-17-103; 76-22-109; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments.(In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30, 2019; pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency; pursuant to sec. 27, Ch. 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015, the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of 17-7-215 terminates June 30, 2021; pursuant

to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec. 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates September 30, 2019; pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December 31, 2023; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30, 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to sec. 55, Ch. 151, L. 2017, the inclusion of 30-10-1004 terminates June 30, 2021; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8, Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec. 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023, and pursuant to sec. 2, Ch. 340, L. 2017, and sec. 32, Ch. 429, L. 2017, is void for fiscal years 2018 and 2019; and pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027.)"

Section 8. Section 60-3-201, MCA, is amended to read:

"60-3-201. Distribution and use of proceeds of gasoline tax. (1) Money received in payment of the gasoline tax under 15-70-403, except those amounts paid out of the department's suspense account for gasoline tax refund, must be deposited as provided in 15-70-403(2) and (3) and used and expended as provided in 15-70-126 and 15-70-127 and this section. After deductions for amounts paid out of the suspense account for gasoline tax refunds, the remainder of the gasoline tax collected under 15-70-403 is allocated as follows:

(a) 9/10 of 1% to the state park account;

(b) 15/28 of 1% to a snowmobile account in the state special revenue fund;

(c) 1/8 of 1% to an off-highway vehicle account in the state special revenue fund;

(d) 1/25 of 1% to the aeronautics revenue fund of the department under the provisions of 67-1-301; and

(e) the remaining amount as provided for in 15-70-126 and 15-70-127.

(2) The department shall, in expending this money, carry forward construction from year to year, using the money expended in accordance with this title. Nothing in this title conflicts with Title 23 of the United States Code and the rules by which it is administered.

(3) The department may enter into cooperative agreements with the national park service and the federal highway administration for the purpose of maintaining national park approach roads in Montana.

(4) Money credited to the state park account in the state special revenue fund may be used only for the creation, improvement, and maintenance of state parks where motorboating is allowed. The legislature finds that of all the fuel sold in the state for consumption in internal combustion engines, except fuel for which refunds have

been made, not less than 9/10 of 1% is used for propelling boats on waterways of this state.

(5) (a) Money credited to the snowmobile account may be used only to develop and maintain facilities open to the general public at no admission cost, to promote snowmobile safety, for enforcement purposes, and for the control of noxious weeds.

(b) Of the amounts deposited in the snowmobile account:

(i) 13% of the amount deposited must be used by the department of fish, wildlife, and parks to promote snowmobile safety and education and to enforce snowmobile laws. Two-thirds of the 13% deposited must be used to promote snowmobile safety and education and one-third of the 13% deposited must be used for the enforcement of snowmobile laws.

(ii) 1% of the amount deposited must be credited to the noxious weed management special revenue fund provided for in 80-7-816.

(c) The legislature finds that of all fuels sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 15/28 of 1% is used for propelling registered snowmobiles in this state.

(6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only to develop and maintain facilities open to the general public at no admission cost, to repair areas that are damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money deposited in the off-highway vehicle account must be used to promote off-highway vehicle safety. Up to 10% of the money deposited in the off-highway vehicle account may be used to repair areas that are damaged by off-highway vehicles.

(b) The legislature finds that of all fuel sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 1/8 of 1% is used for propelling off-highway vehicles in this state.

(7) Money credited to the aeronautics operations account ~~of the department of transportation~~ provided for in [section 1] may be used only to develop, improve, and maintain facilities open to the public at no admission cost and to promote aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal combustion engines~~, except fuel for which refunds have been made,~~ not less than 1/25 of 1% is used for propelling aircraft in this state."

Section 9. Section 67-1-301, MCA, is amended to read:

"67-1-301. Money -- receipt and disbursement. (1) All costs and expenses of administering this title, including the salaries of employees of the department engaged in functions pertaining to aeronautics, the expenses of members of the board, and all other disbursements necessary to carry out the purposes of this title, must be paid out of the following revenue:

(a) all gifts and all legislative appropriations to the department for aeronautics; and

(b) all money received from any branch or department of the federal government or from other sources for the purposes of this title or for the furtherance of aeronautics generally in this state.

(2) All money collected under subsection (1) must be deposited in the state treasury to the credit of the department.

(3) ~~(a) Except as provided in subsection (5), the~~ The following amounts must be deposited from the proceeds of the ~~4-cent-a-gallon~~ tax imposed on aviation fuel by 15-70-403(1)(c):

~~(i)~~(a) ~~in the state special revenue fund to the credit of the department~~ in the aeronautics operations account provided for in [section 1], an amount equal to the proceeds of ~~2~~ 0.5 cents a gallon collected under 15-70-403(1)(c) for the sole purpose of carrying out ~~its~~ department functions pertaining to aeronautics; ~~and~~

~~(ii)~~(b) ~~in a separate~~ in the airport grant account ~~in the state special revenue fund to the credit of the department~~ provided for in [section 2], an amount equal to the proceeds of ~~2~~ ~~8~~ 4.5 cents a gallon ~~to provide refunds pursuant to 15-70-425(6), to provide grants to municipalities for airport development or improvement programs, and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways;~~.

~~(c) in the aeronautics education account provided for in [section 3], an amount equal to the proceeds of 4 cents a gallon for aeronautics education grants.~~

~~(b)~~(4) ~~Money deposited in the account created in 67-1-306 may, with the approval of the board, be used only to provide loans to local governments and state agencies for aeronautical purposes, including airport improvement. The board shall establish procedures, including the interest rate charged, for providing loans.~~ Proceeds of all repayments of loans, including interest, made under ~~this subsection (3)(b)~~ 67-1-307 must be deposited in the account ~~created~~ provided for in 67-1-306.

~~(c) Money deposited in the separate account established in subsection (3)(a)(ii) may, after refunds are provided pursuant to 15-70-425(6) and with the approval of the board, be used only to provide grants to municipalities for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for~~

~~the state's airways. The board shall establish procedures for the awarding of grants.~~

~~(4)~~(5) ~~Except as provided in 15-70-425, the~~ The gasoline tax imposed by the laws of this state on aviation fuel purchased and used for the operation of airplanes or aircraft may not be refunded.

~~(5) Of the amount of aviation fuel tax collected from the scheduled passenger air carriers certified under 14 CFR, part 121 or 135, 25% must be deposited in an account separate from the account established in subsection (3)(a)(ii) to be used only for pavement preservation grants, with the approval of the board, on airports served by these air carriers.~~"

Section 10. Section 67-1-303, MCA, is amended to read:

"67-1-303. Airline property tax -- state airports. (1) Within 30 days of receipt, the county treasurer shall transmit to the department of revenue 90% of the property tax collected on property of airline companies by reason of a state airport being located in the county.

(2) The department of revenue shall place the money in the ~~state special revenue fund to the credit of the department of transportation~~ aeronautics operations account provided for in [section 1] for the purposes provided for in 67-1-301(3)(a)~~(i)~~."

Section 11. Section 67-3-205, MCA, is amended to read:

"67-3-205. Aircraft registration account -- source of funds -- allocation. (1) There is an account in the state special revenue fund to which must be credited all money received from fees paid in lieu of tax on aircraft, as required in 15-24-304 and this part, and all penalties collected for registration violations, as provided in 67-3-202.

~~(2) Money in the account is allocated as follows:~~

~~(a) 90%~~ 30% ~~to the state general fund~~ 70% ~~TO THE AIRPORT GRANT ACCOUNT IN THE STATE SPECIAL REVENUE FUND PROVIDED FOR IN [SECTION 2]; and~~

~~(b) 10%~~ 70% 30% ~~to the department~~ aeronautics operations account provided for in [section 1] ~~for the purpose of administering and enforcing aircraft registration.~~

(2) MONEY IN THE ACCOUNT IS ALLOCATED TO THE AERONAUTICS OPERATIONS ACCOUNT PROVIDED FOR IN [SECTION 1].

(3) The allocations required in subsection (2) must be made when received by the department."

SECTION 12. SECTION 67-3-206, MCA, IS AMENDED TO READ:

"67-3-206. Schedule of fees in lieu of tax for aircraft. (1) The appropriate fee in lieu of tax imposed on aircraft is based on the age and type of aircraft and must be determined from the following schedule:

	YEARS				
	0 - 5	6 - 10	11 - 20	21 - 30	31 - 40
Single engine, fixed gear, 200 horsepower and under	$ ~~300~~ 450	$ ~~175~~ 262.5	$~~100~~ 150	$ ~~50~~ 75	$ ~~25~~ 37.5
Single engine, fixed gear, over 200 horsepower	~~500~~ 750	~~250~~ 375	~~150~~ 225	~~75~~ 112.5	~~50~~ 75
Single engine, retractable gear, 200 horsepower and under	~~600~~ 900	~~300~~ 450	~~175~~ 262.5	~~100~~ 150	~~75~~ 112.5
Single engine, retractable gear, over 200 horsepower	~~700~~ 1,050	~~400~~ 600	~~200~~ 300	~~125~~ 187.5	~~100~~ 150
Multi-engine, piston engine	~~800~~ 1,200	~~500~~ 750	~~250~~ 375	~~175~~ 262.5	~~150~~ 225
Helicopter, piston engine	~~700~~ 1,050	~~450~~ 675	~~225~~ 337.5	~~150~~ 225	~~125~~ 187.5

Single engine jet helicopter, prop jet	~~1,500~~ 2,250	~~700~~ 1,050	~~450~~ 675	~~300~~ 450	~~175~~ 262.5
Multi-engine jet helicopter, prop jet	~~2,000~~ 3,000	~~1,000~~ 1,500	~~600~~ 900	~~400~~ 600	~~200~~ 300
Jet engine, no propeller	~~3,000~~ 4,500	~~1,500~~ 2,250	~~800~~ 1,200	~~500~~ 750	~~250~~ 375

(2) (a) Except as provided in subsection (2)(b), the age of an aircraft is determined by subtracting the manufacturer's designated model year from the current calendar year.

(b) If the purchase year of an aircraft precedes the designated model year of the aircraft and the aircraft is originally titled in Montana, then the purchase year is considered the model year for the purposes of calculating the fee in lieu of tax.

(3) The fee in lieu of tax imposed on any glider, ultralight, gyrocopter, balloon, homebuilt aircraft, antiques, or any aircraft over 40 years old is ~~$20~~ $30."

NEW SECTION. **Section 13. Codification instruction.** [Sections 1 ~~through 3~~ AND 2] are intended to be codified as an integral part of Title 67, chapter 1, part 3, and the provisions of Title 67, chapter 1, part 3, apply to [sections 1 ~~through 3~~ AND 2].

NEW SECTION. **Section 14. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION. **Section 15. Effective date.** [This act] is effective July 1, 2019.

NEW SECTION. **Section 16. Applicability.** [This act] applies to aviation fuel sold on or after [the effective date of this act] but does not apply to contracts for essential air services entered into before [the effective date of this act].

- END -

HOUSE BILL NO. 661

INTRODUCED BY G. CUSTER, D. ANKNEY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AERONAUTICS FUNDING LAWS; INCREASING THE AVIATION FUEL TAX; ~~REPEALING~~ ~~REDUCING~~ REPEALING THE AVIATION FUEL TAX REFUND FOR SCHEDULED AIRLINES; REVISING THE DISTRIBUTION OF AVIATION FUEL TAXES; REVISING THE DISTRIBUTION OF AIRCRAFT REGISTRATION FEES; INCREASING AIRCRAFT REGISTRATION FEES; PROVIDING STATUTORY APPROPRIATIONS; AMENDING SECTIONS 15-70-403, 15-70-410, 15-70-425, 15-70-432, 17-7-502, 60-3-201, 67-1-301, 67-1-303, ~~AND~~ 67-3-205, AND 67-3-206, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Aeronautics operations account.** (1) There is an aeronautics operations account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(a).

(2) Money in the account must be used for the purpose of administering department functions pertaining to aeronautical powers and duties as provided in 67-2-101.

NEW SECTION. **Section 2. Airport grant account.** (1) There is an airport grant account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(b).

(2) ~~With the approval of the board, money~~ MONEY in the account is statutorily appropriated, as provided in 17-7-502, and WITH THE APPROVAL OF THE BOARD may be used ~~only~~ to provide grants to ~~municipalities~~ LOCAL GOVERNMENTS for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways.

(3) The board shall establish procedures for the awarding of grants. The grant procedures must include a provision allowing a grant for the entire local match required for a project funded with federal funds.

~~NEW SECTION.~~ **~~Section 3. Aeronautics education account.~~** ~~(1) There is an aeronautics education account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(c).~~

~~(2) With the approval of the board, money in the account is statutorily appropriated, as provided in 17-7-502, and may be used only to provide grants for aviation education and aviation mechanics education including for educational programming, scholarships, equipment, and instructors.~~

~~(3) The board shall establish procedures for awarding the grants.~~

Section 3. Section 15-70-403, MCA, is amended to read:

"15-70-403. Gasoline, ~~and~~ special fuel, AND AVIATION FUEL tax -- incidence -- rates. (1) The incidence of the fuel tax is on the distributor for the privilege of engaging in and carrying on business in this state. Each distributor shall pay to the department of transportation a tax in an amount equal to:

(a) for each gallon of gasoline distributed by the distributor within the state and upon which the gasoline tax has not been paid by any other distributor:

(i) 31.5 cents in fiscal years 2018 and 2019;

(ii) 32 cents in fiscal years 2020 and 2021;

(iii) 32.5 cents in fiscal year 2022; and

(iv) 33 cents in fiscal year 2023 and thereafter;

(b) for each gallon of special fuel distributed by the distributor within the state and on which the special fuel tax has not been paid by any other distributor:

(i) 29.25 cents in fiscal years 2018 and 2019;

(ii) 29.45 cents in fiscal years 2020 and 2021;

(iii) 29.55 cents in fiscal year 2022; and

(iv) 29.75 cents in fiscal year 2023 and thereafter; and

(c) ~~4~~ ~~14~~ ~~6.5~~ 5 cents for each gallon of aviation fuel, other than fuel sold to the federal defense fuel supply center, which is allocated to the department as provided by 67-1-301.

(2) The gasoline tax provided for in subsection (1)(a) must be deposited as follows:

(a) the revenue from 23 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d)

to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the bridge and road safety and accountability restricted account provided for in 15-70-127.

(3) The special fuel tax provided for in subsection (1)(b) must be deposited as follows:

(a) the revenue from 23 3/4 cents of the tax to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax to the bridge and road safety and accountability restricted account provided for in 15-70-127.

(4) Gasoline or special fuel may not be included in the measure of the distributor's tax if it is sold for export unless the distributor is not licensed and is not paying the tax to the state where the fuel is destined.

(5) Special fuel may not be included in the measure of the distributor's tax if it is dyed by injector at a refinery or terminal for off-highway use.

(6) When no Montana fuel tax has been paid by a distributor or any other person, the department shall collect or cause to be collected from the owners or operators of motor vehicles operating on the public roads and highways of this state a tax equal to the tax rate provided for in subsection (1)(a) for gasoline and subsection (1)(b) for dyed or undyed special fuel. The tax must be paid for each gallon of gasoline or special fuel as defined in this part, or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used to produce motor power to operate motor vehicles on the public roads and highways of this state.

(7) The tax may not be imposed on dyed special fuel delivered into the fuel supply tank of a vehicle that is equipped with a feed delivery box if:

(a) the feed delivery box is permanently affixed to the vehicle;

(b) the vehicle is used exclusively for the feeding of livestock; and

(c) the gross vehicle weight of the vehicle, exclusive of any towed units, is greater than 12,000 pounds.

(8) All special fuel or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used in motor vehicles, motorized equipment, and the internal combustion of any engines, including stationary engines, and used in connection with any work performed under any contracts pertaining to the construction, reconstruction, or improvement of a highway or street and its appurtenances awarded by any public agencies, including federal, state, county, municipal, or other political

subdivisions, must be undyed fuel on which Montana fuel tax has been paid.

(9) Material used for construction, reconstruction, or improvement in connection with work performed under a contract as provided in subsection (8) must be produced using fuel on which Montana fuel tax has been paid."

Section 4. Section 15-70-410, MCA, is amended to read:

"15-70-410. Distributor's statement and payment -- confidentiality. (1) Each distributor shall, not later than the 25th day of each calendar month, except as provided in 15-70-113(3), render to the department of transportation a signed statement that specifies all gasoline or special fuel distributed and received by the distributor in this state during the preceding calendar month and that contains other information the department may reasonably require in order to administer the fuel tax law. The statement must be accompanied by a payment in an amount equal to the tax imposed by 15-70-403, less any refund credit issued under 15-70-425 and less 1% of the total tax that may be deducted by the distributor as an allowance for collection. An allowance may not be deducted from the ~~4-cent~~ tax on aviation fuel.

(2) A distributor engaged in or carrying on a business at more than one location in this state may include all places of business in one statement.

(3) The department or a deputy, assistant, agent, clerk, or other employee of the department may not publish or otherwise disseminate information contained in a statement required under this section in a form that allows identification of a distributor or a purchaser of fuel. This section does not prohibit:

(a) the delivery to a distributor or a distributor's authorized representative of a certified copy of any return or report filed in connection with the distributor's tax;

(b) the inspection by the attorney general or by another legal representative of the state of the report or return of a distributor who brings an action to set aside or review the tax based on the report or return or against whom an action or proceeding has been instituted in accordance with the provisions of Title 15;

(c) the publication of statistics classified to prevent the identification of particular reports or returns and the items in the reports or returns;

(d) the inspection by the commissioner of internal revenue of the United States or by the proper officer of any state imposing a tax on gasoline or special fuel or by any representative of either officer of the report or return of any distributor or the furnishing to the officer or authorized representative of an abstract of the report or return, but permission must be granted or information must be furnished to the officer or the officer's

representative only if the statutes of the United States or the other state grant substantially similar privileges to the proper officer of this state charged with the administration of this chapter or in compliance with 15-70-121 and 15-70-122; or

(e) the compliance of the department with any order of a court of competent jurisdiction."

Section 5. Section 15-70-425, MCA, is amended to read:

"15-70-425. Refund or credit authorized. (1) A person who purchases and uses any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid for denaturing ethanol to be used in ethanol-blended gasoline, operating stationary gasoline or special fuel engines used off the public roads and highways of this state, or for any commercial use other than operating vehicles on any of the public roads and highways of this state is allowed a refund of the amount of tax paid directly or indirectly on the gasoline or special fuel used if the person has records, as provided in 15-70-426, to prove nontaxable use. The refund may not exceed the tax paid or to be paid to the state. ~~Except as provided in subsection (6), a~~ A refund is not allowed for the tax per gallon on aviation fuel allocated to the department of transportation as provided in 67-1-301.

(2) (a) The United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state is entitled to a refund of the taxes paid on special fuel regardless of the use of the special fuel.

(b) (i) A nonpublic school may use dyed special fuel in buses that are owned by the nonpublic school if the buses are used for the transportation of pupils solely for nonsectarian school-related purposes.

(ii) For the purposes of this subsection (2)(b), nonpublic schools are those schools that have been accredited pursuant to 20-7-102.

(3) A distributor who pays the gasoline or special fuel tax to this state erroneously is allowed a credit or refund of the amount of tax paid.

(4) (a) A distributor is entitled to a credit for the tax paid to the department on those sales of gasoline or special fuel with a tax liability of $200 or greater for which the distributor has not received consideration from or on behalf of the purchaser and for which the distributor has not forgiven any liability. The distributor shall have declared the accounts of the purchaser worthless not more than once during a 3-year period and claimed those accounts as bad debts for federal or state income tax purposes.

(b) If a credit has been granted under subsection (4)(a), any amount collected on the accounts declared worthless must be reported to the department and the tax due must be prorated on the collected amount and

must be paid to the department.

(c) The department may require a distributor to submit periodic reports listing accounts that are delinquent for 90 days or more.

(5) A person who purchases and exports for sale, use, or consumption outside Montana any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid is entitled to a credit or refund of the amount of tax paid unless the person is not licensed and is not paying the tax to the state where fuel is destined. Upon completion of the reports required under 15-70-416, the department shall authorize the credit or refund.

~~(6) A SCHEDULED PASSENGER AIR CARRIER CERTIFIED UNDER 14 CFR, PART 121 OR 135, MAY CLAIM A REFUND OF:~~

~~(A) 2 CENTS ON EACH GALLON OF AVIATION FUEL PURCHASED BY THE CARRIER PRIOR TO JULY 1, 2021, ON WHICH THE MONTANA GASOLINE TAX HAS BEEN PAID.~~

~~(B) 1 CENT ON EACH GALLON OF AVIATION FUEL PURCHASED BY THE CARRIER ON OR AFTER JULY 1, 2021, ON WHICH THE MONTANA GASOLINE TAX HAS BEEN PAID.~~

~~(6) A scheduled passenger air carrier certified under 14 CFR, part 121 or 135, may claim a refund of 2 cents on each gallon of aviation fuel purchased by the carrier on which the Montana gasoline tax has been paid. The refund must be paid from the account established in 67-1-301(3)(a)(ii).~~"

Section 6. Section 15-70-432, MCA, is amended to read:

"15-70-432. Application for refund or credit -- filing -- correction by department. (1) (a) Except as provided in subsection (1)(b), the application for a refund must be a signed statement on a form furnished by the department. Except for a claim for a credit for taxes paid on unpaid accounts or special fuel taxes paid by the United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state or except for a claim for a refund filed electronically, the form must be accompanied by the original bulk delivery invoice or invoices issued to the claimant at the time of each purchase and delivery and must show the total amount of gasoline or special fuel purchased ~~or aviation fuel purchased by a certified scheduled passenger air carrier~~, the total amount of gasoline or special fuel on which a refund is claimed, and the amount of the tax claimed for refund. A claim for a credit for taxes paid on accounts for which the distributor did not receive compensation must be accompanied by documents or copies of documents showing that the accounts were worthless and claimed as bad debts on the distributor's federal income tax return. Any further

information pertaining to a claim must be furnished as required by the department.

(b) A claim for a refund that is filed electronically in the manner specified by the department does not require a signature or the original invoices.

(c) A claim for a refund that is filed electronically does not relieve the taxpayer of maintaining records on which the claim for a refund is based.

(2) A bulk delivery invoice issued by a dealer for a sale that does not qualify as a bulk delivery, as defined in 15-70-401, is not valid for refund purposes.

(3) ~~All (a) Except as provided in subsection (3)(b), all~~ All applications for refunds must be filed with the department within 36 months after the date on which the gasoline or special fuel was purchased as shown by invoices or after the date on which the tax was erroneously paid. A distributor may file a claim for refund of taxes erroneously paid or for a credit for taxes paid by the distributor on unpaid accounts within 3 years after the date of payment.

~~(b) All applications for refunds on purchases of aviation fuel made on or after July 1, 2019, must be filed with the department within 12 months after the date of purchase as shown by invoices or after the date on which the tax was erroneously paid. A distributor may file a claim for refund of taxes erroneously paid or for a credit for taxes paid by the distributor on unpaid accounts within 1 year after the date of payment on purchases made on or after July 1, 2019.~~

(4) If the department finds that the statement contains errors that are not fraudulently inserted, it may correct the statement and approve it as corrected or the department may require the claimant to file an amended statement."

Section 7. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-1304; 10-4-304; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-9-905; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-321; 61-3-415; [section 2]; ~~[section 3];~~ 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-416; 76-17-103; 76-22-109; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments.(In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30, 2019; pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency; pursuant to sec. 27, Ch. 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015, the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of 17-7-215 terminates June 30, 2021; pursuant

to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec. 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates September 30, 2019; pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December 31, 2023; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30, 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to sec. 55, Ch. 151, L. 2017, the inclusion of 30-10-1004 terminates June 30, 2021; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8, Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec. 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023, and pursuant to sec. 2, Ch. 340, L. 2017, and sec. 32, Ch. 429, L. 2017, is void for fiscal years 2018 and 2019; and pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027.)"

Section 8. Section 60-3-201, MCA, is amended to read:

"60-3-201. Distribution and use of proceeds of gasoline tax. (1) Money received in payment of the gasoline tax under 15-70-403, except those amounts paid out of the department's suspense account for gasoline tax refund, must be deposited as provided in 15-70-403(2) and (3) and used and expended as provided in 15-70-126 and 15-70-127 and this section. After deductions for amounts paid out of the suspense account for gasoline tax refunds, the remainder of the gasoline tax collected under 15-70-403 is allocated as follows:

(a) 9/10 of 1% to the state park account;

(b) 15/28 of 1% to a snowmobile account in the state special revenue fund;

(c) 1/8 of 1% to an off-highway vehicle account in the state special revenue fund;

(d) 1/25 of 1% to the aeronautics revenue fund of the department under the provisions of 67-1-301; and

(e) the remaining amount as provided for in 15-70-126 and 15-70-127.

(2) The department shall, in expending this money, carry forward construction from year to year, using the money expended in accordance with this title. Nothing in this title conflicts with Title 23 of the United States Code and the rules by which it is administered.

(3) The department may enter into cooperative agreements with the national park service and the federal highway administration for the purpose of maintaining national park approach roads in Montana.

(4) Money credited to the state park account in the state special revenue fund may be used only for the creation, improvement, and maintenance of state parks where motorboating is allowed. The legislature finds that of all the fuel sold in the state for consumption in internal combustion engines, except fuel for which refunds have

been made, not less than 9/10 of 1% is used for propelling boats on waterways of this state.

(5) (a) Money credited to the snowmobile account may be used only to develop and maintain facilities open to the general public at no admission cost, to promote snowmobile safety, for enforcement purposes, and for the control of noxious weeds.

(b) Of the amounts deposited in the snowmobile account:

(i) 13% of the amount deposited must be used by the department of fish, wildlife, and parks to promote snowmobile safety and education and to enforce snowmobile laws. Two-thirds of the 13% deposited must be used to promote snowmobile safety and education and one-third of the 13% deposited must be used for the enforcement of snowmobile laws.

(ii) 1% of the amount deposited must be credited to the noxious weed management special revenue fund provided for in 80-7-816.

(c) The legislature finds that of all fuels sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 15/28 of 1% is used for propelling registered snowmobiles in this state.

(6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only to develop and maintain facilities open to the general public at no admission cost, to repair areas that are damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money deposited in the off-highway vehicle account must be used to promote off-highway vehicle safety. Up to 10% of the money deposited in the off-highway vehicle account may be used to repair areas that are damaged by off-highway vehicles.

(b) The legislature finds that of all fuel sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 1/8 of 1% is used for propelling off-highway vehicles in this state.

(7) Money credited to the aeronautics operations account ~~of the department of transportation~~ provided for in [section 1] may be used only to develop, improve, and maintain facilities open to the public at no admission cost and to promote aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal combustion engines~~, except fuel for which refunds have been made,~~ not less than 1/25 of 1% is used for propelling aircraft in this state."

Section 9. Section 67-1-301, MCA, is amended to read:

"67-1-301. Money -- receipt and disbursement. (1) All costs and expenses of administering this title, including the salaries of employees of the department engaged in functions pertaining to aeronautics, the expenses of members of the board, and all other disbursements necessary to carry out the purposes of this title, must be paid out of the following revenue:

(a) all gifts and all legislative appropriations to the department for aeronautics; and

(b) all money received from any branch or department of the federal government or from other sources for the purposes of this title or for the furtherance of aeronautics generally in this state.

(2) All money collected under subsection (1) must be deposited in the state treasury to the credit of the department.

(3) ~~(a) Except as provided in subsection (5), the~~ The following amounts must be deposited from the proceeds of the ~~4-cent-a-gallon~~ tax imposed on aviation fuel by 15-70-403(1)(c):

~~(i)~~(a) ~~in the state special revenue fund to the credit of the department~~ in the aeronautics operations account provided for in [section 1], an amount equal to the proceeds of ~~2~~ 0.5 cents a gallon collected under 15-70-403(1)(c) for the sole purpose of carrying out ~~its~~ department functions pertaining to aeronautics; ~~and~~

~~(ii)~~(b) ~~in a separate~~ in the airport grant account ~~in the state special revenue fund to the credit of the department~~ provided for in [section 2], an amount equal to the proceeds of ~~2~~ ~~8~~ 4.5 cents a gallon ~~to provide refunds pursuant to 15-70-425(6), to provide grants to municipalities for airport development or improvement programs, and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways;~~.

~~(c) in the aeronautics education account provided for in [section 3], an amount equal to the proceeds of 4 cents a gallon for aeronautics education grants.~~

~~(b)~~(4) ~~Money deposited in the account created in 67-1-306 may, with the approval of the board, be used only to provide loans to local governments and state agencies for aeronautical purposes, including airport improvement. The board shall establish procedures, including the interest rate charged, for providing loans.~~ Proceeds of all repayments of loans, including interest, made under ~~this subsection (3)(b)~~ 67-1-307 must be deposited in the account ~~created~~ provided for in 67-1-306.

~~(c) Money deposited in the separate account established in subsection (3)(a)(ii) may, after refunds are provided pursuant to 15-70-425(6) and with the approval of the board, be used only to provide grants to municipalities for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for~~

~~the state's airways. The board shall establish procedures for the awarding of grants.~~

~~(4)~~(5) ~~Except as provided in 15-70-425, the~~ The gasoline tax imposed by the laws of this state on aviation fuel purchased and used for the operation of airplanes or aircraft may not be refunded.

~~(5) Of the amount of aviation fuel tax collected from the scheduled passenger air carriers certified under 14 CFR, part 121 or 135, 25% must be deposited in an account separate from the account established in subsection (3)(a)(ii) to be used only for pavement preservation grants, with the approval of the board, on airports served by these air carriers.~~"

Section 10. Section 67-1-303, MCA, is amended to read:

"67-1-303. Airline property tax -- state airports. (1) Within 30 days of receipt, the county treasurer shall transmit to the department of revenue 90% of the property tax collected on property of airline companies by reason of a state airport being located in the county.

(2) The department of revenue shall place the money in the ~~state special revenue fund to the credit of the department of transportation~~ aeronautics operations account provided for in [section 1] for the purposes provided for in 67-1-301(3)(a)~~(i)~~."

Section 11. Section 67-3-205, MCA, is amended to read:

"67-3-205. Aircraft registration account -- source of funds -- allocation. (1) There is an account in the state special revenue fund to which must be credited all money received from fees paid in lieu of tax on aircraft, as required in 15-24-304 and this part, and all penalties collected for registration violations, as provided in 67-3-202.

~~(2) Money in the account is allocated as follows:~~

~~(a) 90% 30% to the state general fund 70% TO THE AIRPORT GRANT ACCOUNT IN THE STATE SPECIAL REVENUE FUND PROVIDED FOR IN [SECTION 2]; and~~

~~(b) 10% 70% 30% to the department aeronautics operations account provided for in [section 1] for the purpose of administering and enforcing aircraft registration.~~

(2) MONEY IN THE ACCOUNT IS ALLOCATED TO THE AERONAUTICS OPERATIONS ACCOUNT PROVIDED FOR IN [SECTION 1].

(3) The allocations required in subsection (2) must be made when received by the department."

SECTION 12. SECTION 67-3-206, MCA, IS AMENDED TO READ:

"67-3-206. Schedule of fees in lieu of tax for aircraft. (1) The appropriate fee in lieu of tax imposed on aircraft is based on the age and type of aircraft and must be determined from the following schedule:

	YEARS				
	0 - 5	6 - 10	11 - 20	21 - 30	31 - 40
Single engine, fixed gear, 200 horsepower and under	$ ~~300~~ 450	$ ~~175~~ 262.5	$~~100~~ 150	$ ~~50~~ 75	$ ~~25~~ 37.5
Single engine, fixed gear, over 200 horsepower	~~500~~ 750	~~250~~ 375	~~150~~ 225	~~75~~ 112.5	~~50~~ 75
Single engine, retractable gear, 200 horsepower and under	~~600~~ 900	~~300~~ 450	~~175~~ 262.5	~~100~~ 150	~~75~~ 112.5
Single engine, retractable gear, over 200 horsepower	~~700~~ 1,050	~~400~~ 600	~~200~~ 300	~~125~~ 187.5	~~100~~ 150
Multi-engine, piston engine	~~800~~ 1,200	~~500~~ 750	~~250~~ 375	~~175~~ 262.5	~~150~~ 225
Helicopter, piston engine	~~700~~ 1,050	~~450~~ 675	~~225~~ 337.5	~~150~~ 225	~~125~~ 187.5

Single engine jet helicopter, prop jet	~~1,500~~ 2,250	~~700~~ 1,050	~~450~~ 675	~~300~~ 450	~~175~~ 262.5
Multi-engine jet helicopter, prop jet	~~2,000~~ 3,000	~~1,000~~ 1,500	~~600~~ 900	~~400~~ 600	~~200~~ 300
Jet engine, no propeller	~~3,000~~ 4,500	~~1,500~~ 2,250	~~800~~ 1,200	~~500~~ 750	~~250~~ 375

(2) (a) Except as provided in subsection (2)(b), the age of an aircraft is determined by subtracting the manufacturer's designated model year from the current calendar year.

(b) If the purchase year of an aircraft precedes the designated model year of the aircraft and the aircraft is originally titled in Montana, then the purchase year is considered the model year for the purposes of calculating the fee in lieu of tax.

(3) The fee in lieu of tax imposed on any glider, ultralight, gyrocopter, balloon, homebuilt aircraft, antiques, or any aircraft over 40 years old is ~~$20~~ $30."

NEW SECTION. **SECTION 13. RESTRICTION ON ADMINISTRATIVE COSTS.** THE DEPARTMENT OF TRANSPORTATION MAY NOT RETAIN ANY MONEY FROM THE INCREASED REVENUE GENERATED BY [THIS ACT] FOR ADMINISTRATIVE PURPOSES.

NEW SECTION. **Section 14. Codification instruction.** [Sections 1 ~~through 3~~ AND 2] are intended to be codified as an integral part of Title 67, chapter 1, part 3, and the provisions of Title 67, chapter 1, part 3, apply to [sections 1 ~~through 3~~ AND 2].

NEW SECTION. **Section 15. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION. **Section 16. Effective date.** [This act] is effective July 1, 2019.

NEW SECTION. **Section 17. Applicability.** [This act] applies to aviation fuel sold on or after [the effective date of this act] but does not apply to contracts for essential air services entered into before [the effective date of this act].

- END -

AN ACT REVISING AERONAUTICS FUNDING LAWS; INCREASING THE AVIATION FUEL TAX; REPEALING THE AVIATION FUEL TAX REFUND FOR SCHEDULED AIRLINES; REVISING THE DISTRIBUTION OF AVIATION FUEL TAXES; REVISING THE DISTRIBUTION OF AIRCRAFT REGISTRATION FEES; INCREASING AIRCRAFT REGISTRATION FEES; PROVIDING STATUTORY APPROPRIATIONS; AMENDING SECTIONS 15-70-403, 15-70-410, 15-70-425, 15-70-432, 17-7-502, 60-3-201, 67-1-301, 67-1-303, 67-3-205, AND 67-3-206, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Aeronautics operations account. (1) There is an aeronautics operations account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(a).

(2) Money in the account must be used for the purpose of administering department functions pertaining to aeronautical powers and duties as provided in 67-2-101.

Section 2. Airport grant account. (1) There is an airport grant account in the state special revenue fund. Revenue from the aviation fuel tax must be deposited in the account to the credit of the department pursuant to 67-1-301(3)(b).

(2) Money in the account is statutorily appropriated, as provided in 17-7-502, and with the approval of the board may be used to provide grants to local governments for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways.

(3) The board shall establish procedures for the awarding of grants. The grant procedures must include a provision allowing a grant for the entire local match required for a project funded with federal funds.

Section 3. Section 15-70-403, MCA, is amended to read:

"15-70-403. Gasoline, ~~and~~ special fuel, and aviation fuel tax -- incidence -- rates. (1) The incidence of the fuel tax is on the distributor for the privilege of engaging in and carrying on business in this state. Each distributor shall pay to the department of transportation a tax in an amount equal to:

(a) for each gallon of gasoline distributed by the distributor within the state and upon which the gasoline tax has not been paid by any other distributor:

(i) 31.5 cents in fiscal years 2018 and 2019;

(ii) 32 cents in fiscal years 2020 and 2021;

(iii) 32.5 cents in fiscal year 2022; and

(iv) 33 cents in fiscal year 2023 and thereafter;

(b) for each gallon of special fuel distributed by the distributor within the state and on which the special fuel tax has not been paid by any other distributor:

(i) 29.25 cents in fiscal years 2018 and 2019;

(ii) 29.45 cents in fiscal years 2020 and 2021;

(iii) 29.55 cents in fiscal year 2022; and

(iv) 29.75 cents in fiscal year 2023 and thereafter; and

(c) ~~4~~ 5 cents for each gallon of aviation fuel, other than fuel sold to the federal defense fuel supply center, which is allocated to the department as provided by 67-1-301.

(2) The gasoline tax provided for in subsection (1)(a) must be deposited as follows:

(a) the revenue from 23 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax less the allocations provided for in 60-3-201(1)(a) through (1)(d) to the bridge and road safety and accountability restricted account provided for in 15-70-127.

(3) The special fuel tax provided for in subsection (1)(b) must be deposited as follows:

(a) the revenue from 23 3/4 cents of the tax to the highway restricted account provided for in 15-70-126;

(b) the revenue from 4 cents of the tax to the highway patrol administration state special revenue account established in 44-1-110; and

(c) the remaining revenue from the tax to the bridge and road safety and accountability restricted account

provided for in 15-70-127.

(4) Gasoline or special fuel may not be included in the measure of the distributor's tax if it is sold for export unless the distributor is not licensed and is not paying the tax to the state where the fuel is destined.

(5) Special fuel may not be included in the measure of the distributor's tax if it is dyed by injector at a refinery or terminal for off-highway use.

(6) When no Montana fuel tax has been paid by a distributor or any other person, the department shall collect or cause to be collected from the owners or operators of motor vehicles operating on the public roads and highways of this state a tax equal to the tax rate provided for in subsection (1)(a) for gasoline and subsection (1)(b) for dyed or undyed special fuel. The tax must be paid for each gallon of gasoline or special fuel as defined in this part, or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used to produce motor power to operate motor vehicles on the public roads and highways of this state.

(7) The tax may not be imposed on dyed special fuel delivered into the fuel supply tank of a vehicle that is equipped with a feed delivery box if:

(a) the feed delivery box is permanently affixed to the vehicle;

(b) the vehicle is used exclusively for the feeding of livestock; and

(c) the gross vehicle weight of the vehicle, exclusive of any towed units, is greater than 12,000 pounds.

(8) All special fuel or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test sold or used in motor vehicles, motorized equipment, and the internal combustion of any engines, including stationary engines, and used in connection with any work performed under any contracts pertaining to the construction, reconstruction, or improvement of a highway or street and its appurtenances awarded by any public agencies, including federal, state, county, municipal, or other political subdivisions, must be undyed fuel on which Montana fuel tax has been paid.

(9) Material used for construction, reconstruction, or improvement in connection with work performed under a contract as provided in subsection (8) must be produced using fuel on which Montana fuel tax has been paid."

Section 4. Section 15-70-410, MCA, is amended to read:

"15-70-410. Distributor's statement and payment -- confidentiality. (1) Each distributor shall, not later

than the 25th day of each calendar month, except as provided in 15-70-113(3), render to the department of transportation a signed statement that specifies all gasoline or special fuel distributed and received by the distributor in this state during the preceding calendar month and that contains other information the department may reasonably require in order to administer the fuel tax law. The statement must be accompanied by a payment in an amount equal to the tax imposed by 15-70-403, less any refund credit issued under 15-70-425 and less 1% of the total tax that may be deducted by the distributor as an allowance for collection. An allowance may not be deducted from the ~~4-cent~~ tax on aviation fuel.

(2) A distributor engaged in or carrying on a business at more than one location in this state may include all places of business in one statement.

(3) The department or a deputy, assistant, agent, clerk, or other employee of the department may not publish or otherwise disseminate information contained in a statement required under this section in a form that allows identification of a distributor or a purchaser of fuel. This section does not prohibit:

(a) the delivery to a distributor or a distributor's authorized representative of a certified copy of any return or report filed in connection with the distributor's tax;

(b) the inspection by the attorney general or by another legal representative of the state of the report or return of a distributor who brings an action to set aside or review the tax based on the report or return or against whom an action or proceeding has been instituted in accordance with the provisions of Title 15;

(c) the publication of statistics classified to prevent the identification of particular reports or returns and the items in the reports or returns;

(d) the inspection by the commissioner of internal revenue of the United States or by the proper officer of any state imposing a tax on gasoline or special fuel or by any representative of either officer of the report or return of any distributor or the furnishing to the officer or authorized representative of an abstract of the report or return, but permission must be granted or information must be furnished to the officer or the officer's representative only if the statutes of the United States or the other state grant substantially similar privileges to the proper officer of this state charged with the administration of this chapter or in compliance with 15-70-121 and 15-70-122; or

(e) the compliance of the department with any order of a court of competent jurisdiction."

Section 5. Section 15-70-425, MCA, is amended to read:

"15-70-425. Refund or credit authorized. (1) A person who purchases and uses any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid for denaturing ethanol to be used in ethanol-blended gasoline, operating stationary gasoline or special fuel engines used off the public roads and highways of this state, or for any commercial use other than operating vehicles on any of the public roads and highways of this state is allowed a refund of the amount of tax paid directly or indirectly on the gasoline or special fuel used if the person has records, as provided in 15-70-426, to prove nontaxable use. The refund may not exceed the tax paid or to be paid to the state. ~~Except as provided in subsection (6), a~~ A refund is not allowed for the tax per gallon on aviation fuel allocated to the department of transportation as provided in 67-1-301.

(2) (a) The United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state is entitled to a refund of the taxes paid on special fuel regardless of the use of the special fuel.

(b) (i) A nonpublic school may use dyed special fuel in buses that are owned by the nonpublic school if the buses are used for the transportation of pupils solely for nonsectarian school-related purposes.

(ii) For the purposes of this subsection (2)(b), nonpublic schools are those schools that have been accredited pursuant to 20-7-102.

(3) A distributor who pays the gasoline or special fuel tax to this state erroneously is allowed a credit or refund of the amount of tax paid.

(4) (a) A distributor is entitled to a credit for the tax paid to the department on those sales of gasoline or special fuel with a tax liability of $200 or greater for which the distributor has not received consideration from or on behalf of the purchaser and for which the distributor has not forgiven any liability. The distributor shall have declared the accounts of the purchaser worthless not more than once during a 3-year period and claimed those accounts as bad debts for federal or state income tax purposes.

(b) If a credit has been granted under subsection (4)(a), any amount collected on the accounts declared worthless must be reported to the department and the tax due must be prorated on the collected amount and must be paid to the department.

(c) The department may require a distributor to submit periodic reports listing accounts that are delinquent for 90 days or more.

(5) A person who purchases and exports for sale, use, or consumption outside Montana any gasoline or special fuel on which the Montana gasoline or special fuel tax has been paid is entitled to a credit or refund

of the amount of tax paid unless the person is not licensed and is not paying the tax to the state where fuel is destined. Upon completion of the reports required under 15-70-416, the department shall authorize the credit or refund.

~~(6) A scheduled passenger air carrier certified under 14 CFR, part 121 or 135, may claim a refund of 2 cents on each gallon of aviation fuel purchased by the carrier on which the Montana gasoline tax has been paid. The refund must be paid from the account established in 67-1-301(3)(a)(ii).~~"

Section 6. Section 15-70-432, MCA, is amended to read:

"15-70-432. Application for refund or credit -- filing -- correction by department. (1) (a) Except as provided in subsection (1)(b), the application for a refund must be a signed statement on a form furnished by the department. Except for a claim for a credit for taxes paid on unpaid accounts or special fuel taxes paid by the United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state or except for a claim for a refund filed electronically, the form must be accompanied by the original bulk delivery invoice or invoices issued to the claimant at the time of each purchase and delivery and must show the total amount of gasoline or special fuel purchased ~~or aviation fuel purchased by a certified scheduled passenger air carrier~~, the total amount of gasoline or special fuel on which a refund is claimed, and the amount of the tax claimed for refund. A claim for a credit for taxes paid on accounts for which the distributor did not receive compensation must be accompanied by documents or copies of documents showing that the accounts were worthless and claimed as bad debts on the distributor's federal income tax return. Any further information pertaining to a claim must be furnished as required by the department.

(b) A claim for a refund that is filed electronically in the manner specified by the department does not require a signature or the original invoices.

(c) A claim for a refund that is filed electronically does not relieve the taxpayer of maintaining records on which the claim for a refund is based.

(2) A bulk delivery invoice issued by a dealer for a sale that does not qualify as a bulk delivery, as defined in 15-70-401, is not valid for refund purposes.

(3) ~~All~~ All applications for refunds must be filed with the department within 36 months after the date on which the gasoline or special fuel was purchased as shown by invoices or after the date on which the tax was erroneously paid. A distributor may file a claim for refund of taxes erroneously paid or for a credit for taxes paid

by the distributor on unpaid accounts within 3 years after the date of payment.

(4) If the department finds that the statement contains errors that are not fraudulently inserted, it may correct the statement and approve it as corrected or the department may require the claimant to file an amended statement."

Section 7. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-1304; 10-4-304; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-9-905; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-321; 61-3-415; [section 2]; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-416; 76-17-103; 76-22-109; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued

pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments.(In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30, 2019; pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency; pursuant to sec. 27, Ch. 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015, the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of 17-7-215 terminates June 30, 2021; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec. 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates September 30, 2019; pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December 31, 2023; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30, 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to sec. 55, Ch. 151, L. 2017, the inclusion of 30-10-1004 terminates June 30, 2021; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8, Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec. 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023, and pursuant to sec. 2, Ch. 340, L. 2017, and sec. 32, Ch. 429, L. 2017, is void for fiscal years 2018 and 2019; and pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027.)"

Section 8. Section 60-3-201, MCA, is amended to read:

"60-3-201. Distribution and use of proceeds of gasoline tax. (1) Money received in payment of the gasoline tax under 15-70-403, except those amounts paid out of the department's suspense account for gasoline

tax refund, must be deposited as provided in 15-70-403(2) and (3) and used and expended as provided in 15-70-126 and 15-70-127 and this section. After deductions for amounts paid out of the suspense account for gasoline tax refunds, the remainder of the gasoline tax collected under 15-70-403 is allocated as follows:

(a) 9/10 of 1% to the state park account;

(b) 15/28 of 1% to a snowmobile account in the state special revenue fund;

(c) 1/8 of 1% to an off-highway vehicle account in the state special revenue fund;

(d) 1/25 of 1% to the aeronautics revenue fund of the department under the provisions of 67-1-301; and

(e) the remaining amount as provided for in 15-70-126 and 15-70-127.

(2) The department shall, in expending this money, carry forward construction from year to year, using the money expended in accordance with this title. Nothing in this title conflicts with Title 23 of the United States Code and the rules by which it is administered.

(3) The department may enter into cooperative agreements with the national park service and the federal highway administration for the purpose of maintaining national park approach roads in Montana.

(4) Money credited to the state park account in the state special revenue fund may be used only for the creation, improvement, and maintenance of state parks where motorboating is allowed. The legislature finds that of all the fuel sold in the state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 9/10 of 1% is used for propelling boats on waterways of this state.

(5) (a) Money credited to the snowmobile account may be used only to develop and maintain facilities open to the general public at no admission cost, to promote snowmobile safety, for enforcement purposes, and for the control of noxious weeds.

(b) Of the amounts deposited in the snowmobile account:

(i) 13% of the amount deposited must be used by the department of fish, wildlife, and parks to promote snowmobile safety and education and to enforce snowmobile laws. Two-thirds of the 13% deposited must be used to promote snowmobile safety and education and one-third of the 13% deposited must be used for the enforcement of snowmobile laws.

(ii) 1% of the amount deposited must be credited to the noxious weed management special revenue fund provided for in 80-7-816.

(c) The legislature finds that of all fuels sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 15/28 of 1% is used for propelling registered

snowmobiles in this state.

(6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only to develop and maintain facilities open to the general public at no admission cost, to repair areas that are damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money deposited in the off-highway vehicle account must be used to promote off-highway vehicle safety. Up to 10% of the money deposited in the off-highway vehicle account may be used to repair areas that are damaged by off-highway vehicles.

(b) The legislature finds that of all fuel sold in this state for consumption in internal combustion engines, except fuel for which refunds have been made, not less than 1/8 of 1% is used for propelling off-highway vehicles in this state.

(7) Money credited to the aeronautics operations account ~~of the department of transportation~~ provided for in [section 1] may be used only to develop, improve, and maintain facilities open to the public at no admission cost and to promote aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal combustion engines~~, except fuel for which refunds have been made,~~ not less than 1/25 of 1% is used for propelling aircraft in this state."

Section 9. Section 67-1-301, MCA, is amended to read:

"67-1-301. Money -- receipt and disbursement. (1) All costs and expenses of administering this title, including the salaries of employees of the department engaged in functions pertaining to aeronautics, the expenses of members of the board, and all other disbursements necessary to carry out the purposes of this title, must be paid out of the following revenue:

(a) all gifts and all legislative appropriations to the department for aeronautics; and

(b) all money received from any branch or department of the federal government or from other sources for the purposes of this title or for the furtherance of aeronautics generally in this state.

(2) All money collected under subsection (1) must be deposited in the state treasury to the credit of the department.

(3) ~~(a) Except as provided in subsection (5), the~~ The following amounts must be deposited from the proceeds of the ~~4-cent-a-gallon~~ tax imposed on aviation fuel by 15-70-403(1)(c):

~~(i)~~(a) ~~in the state special revenue fund to the credit of the department~~ in the aeronautics operations

account provided for in [section 1], an amount equal to the proceeds of ~~2~~ 0.5 cents a gallon collected under 15-70-403(1)(c) for the sole purpose of carrying out ~~its~~ department functions pertaining to aeronautics; ~~and~~

~~(ii)~~(b) ~~in a separate~~ in the airport grant account ~~in the state special revenue fund to the credit of the department~~ provided for in [section 2], an amount equal to the proceeds of ~~2~~ 4.5 cents a gallon ~~to provide refunds pursuant to 15-70-425(6), to provide grants to municipalities for airport development or improvement programs, and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways.~~.

~~(b)(4) Money deposited in the account created in 67-1-306 may, with the approval of the board, be used only to provide loans to local governments and state agencies for aeronautical purposes, including airport improvement. The board shall establish procedures, including the interest rate charged, for providing loans.~~ Proceeds of all repayments of loans, including interest, made under ~~this subsection (3)(b)~~ 67-1-307 must be deposited in the account ~~created~~ provided for in 67-1-306.

~~(c) Money deposited in the separate account established in subsection (3)(a)(ii) may, after refunds are provided pursuant to 15-70-425(6) and with the approval of the board, be used only to provide grants to municipalities for airport development or improvement programs and to provide navigational aids, safety improvements, weather reporting services, and other aeronautical services for airports and landing fields and for the state's airways. The board shall establish procedures for the awarding of grants.~~

~~(4)~~(5) ~~Except as provided in 15-70-425, the~~ The gasoline tax imposed by the laws of this state on aviation fuel purchased and used for the operation of airplanes or aircraft may not be refunded.

~~(5) Of the amount of aviation fuel tax collected from the scheduled passenger air carriers certified under 14 CFR, part 121 or 135, 25% must be deposited in an account separate from the account established in subsection (3)(a)(ii) to be used only for pavement preservation grants, with the approval of the board, on airports served by these air carriers.~~"

Section 10. Section 67-1-303, MCA, is amended to read:

"67-1-303. Airline property tax -- state airports. (1) Within 30 days of receipt, the county treasurer shall transmit to the department of revenue 90% of the property tax collected on property of airline companies by reason of a state airport being located in the county.

(2) The department of revenue shall place the money in the ~~state special revenue fund to the credit of~~

~~the department of transportation~~ aeronautics operations account provided for in [section 1] for the purposes provided for in 67-1-301(3)(a)~~(i)~~."

Section 11. Section 67-3-205, MCA, is amended to read:

"67-3-205. Aircraft registration account -- source of funds -- allocation. (1) There is an account in the state special revenue fund to which must be credited all money received from fees paid in lieu of tax on aircraft, as required in 15-24-304 and this part, and all penalties collected for registration violations, as provided in 67-3-202.

~~(2) Money in the account is allocated as follows:~~

~~(a) 90% to the state general fund; and~~

~~(b) 10% to the department for the purpose of administering and enforcing aircraft registration.~~

(2) Money in the account is allocated to the aeronautics operations account provided for in [section 1].

(3) The allocations required in subsection (2) must be made when received by the department."

Section 12. Section 67-3-206, MCA, is amended to read:

"67-3-206. Schedule of fees in lieu of tax for aircraft. (1) The appropriate fee in lieu of tax imposed on aircraft is based on the age and type of aircraft and must be determined from the following schedule:

	YEARS				
	0 - 5	6 - 10	11 - 20	21 - 30	31 - 40
Single engine, fixed gear, 200 horsepower and under	$ ~~300~~ 450	$ ~~175~~ 262.5	$~~100~~ 150	$ ~~50~~ 75	$ ~~25~~ 37.5
Single engine, fixed gear, over 200 horsepower	~~500~~ 750	~~250~~ 375	~~150~~ 225	~~75~~ 112.5	~~50~~ 75
Single	~~600~~ 900	~~300~~ 450	~~175~~ 262.5	~~100~~ 150	~~75~~ 112.5

engine, retractable gear, 200 horsepower and under					
Single engine, retractable gear, over 200 horsepower	~~700~~ 1,050	~~400~~ 600	~~200~~ 300	~~125~~ 187.5	~~100~~ 150
Multi-engine, piston engine	~~800~~ 1,200	~~500~~ 750	~~250~~ 375	~~175~~ 262.5	~~150~~ 225
Helicopter, piston engine	~~700~~ 1,050	~~450~~ 675	~~225~~ 337.5	~~150~~ 225	~~125~~ 187.5
Single engine jet helicopter, prop jet	~~1,500~~ 2,250	~~700~~ 1,050	~~450~~ 675	~~300~~ 450	~~175~~ 262.5
Multi-engine jet helicopter, prop jet	~~2,000~~ 3,000	~~1,000~~ 1,500	~~600~~ 900	~~400~~ 600	~~200~~ 300
Jet engine, no propeller	~~3,000~~ 4,500	~~1,500~~ 2,250	~~800~~ 1,200	~~500~~ 750	~~250~~ 375

(2) (a) Except as provided in subsection (2)(b), the age of an aircraft is determined by subtracting the manufacturer's designated model year from the current calendar year.

(b) If the purchase year of an aircraft precedes the designated model year of the aircraft and the aircraft is originally titled in Montana, then the purchase year is considered the model year for the purposes of calculating the fee in lieu of tax.

(3) The fee in lieu of tax imposed on any glider, ultralight, gyrocopter, balloon, homebuilt aircraft, antiques, or any aircraft over 40 years old is ~~$20~~ $30."

Section 13. Restriction on administrative costs. The department of transportation may not retain any money from the increased revenue generated by [this act] for administrative purposes.

Section 14. Codification instruction. [Sections 1 and 2] are intended to be codified as an integral part of Title 67, chapter 1, part 3, and the provisions of Title 67, chapter 1, part 3, apply to [sections 1 and 2].

Section 15. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

Section 16. Effective date. [This act] is effective July 1, 2019.

Section 17. Applicability. [This act] applies to aviation fuel sold on or after [the effective date of this act] but does not apply to contracts for essential air services entered into before [the effective date of this act].

- END -

I hereby certify that the within bill,

HB 0661, originated in the House.

_____

Speaker of the House

Signed this _____ day

of _____, 2019.

_____

Chief Clerk of the House

_____

President of the Senate

Signed this _____ day

of _____, 2019.

HOUSE BILL NO. 661

INTRODUCED BY G. CUSTER, D. ANKNEY

AN ACT REVISING AERONAUTICS FUNDING LAWS; INCREASING THE AVIATION FUEL TAX; REPEALING THE AVIATION FUEL TAX REFUND FOR SCHEDULED AIRLINES; REVISING THE DISTRIBUTION OF AVIATION FUEL TAXES; REVISING THE DISTRIBUTION OF AIRCRAFT REGISTRATION FEES; INCREASING AIRCRAFT REGISTRATION FEES; PROVIDING STATUTORY APPROPRIATIONS; AMENDING SECTIONS 15-70-403, 15-70-410, 15-70-425, 15-70-432, 17-7-502, 60-3-201, 67-1-301, 67-1-303, 67-3-205, AND 67-3-206, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill #	HB 661	Title:	Revise Aviation Fuel Taxation
Primary Sponsor:	Geraldine Custer	Status:	As Introduced

✓Significant Local Gov Impact ☐Needs to be included in HB 2 ☐Technical Concerns

☐Included in the Executive Budget ☐Significant Long-Term Impacts ✓Dedicated Revenue Form Attached

	FY 2020 Difference	FY 2021 Difference	FY 2022 Difference	FY 2023 Difference
Expenditures:				
General Fund	$0	$0	$0	$0
State Special Revenue	$4,951,405	$5,035,717	$5,136,849	$5,191,625
Revenue:				
General Fund	($306,180)	($306,180)	($306,180)	($306,180)
State Special Revenue	$4,951,405	$5,035,717	$5,136,849	$5,191,625
Net Impact-General Fund Balance:	($306,180)	($306,180)	($306,180)	($306,180)

Description of fiscal impact: HB 661 increases Aviation Fuel Tax from $0.04 per gallon to $0.14 per gallon and directs the revenue generated from this tax to the Montana Department of Transportation (MDT) Aeronautics Operations Account, the Airport Grant Account, and a new Aeronautics Education Account. HB 661 also sunsets the $0.02 per gallon of aviation fuel refunded to scheduled passenger air carriers certified under 14 CFR, Part 121 or 135 and makes those funds available for state assistance grants to local public use airports. Additionally, HB 661 sunsets the Pavement Preservation Program for airports with scheduled passenger air carriers certified under 14 CFR, Part 121 or 135 and the Montana Department of Transportation's Aeronautics Division will retain those funds for operating expenditures. Further, HB 661 will change the percentage of aircraft registration fees that are allocated to the state general fund from 90% to 30%.

FISCAL ANALYSIS

Assumptions:

Montana Department of Transportation

1. Scheduled passenger air carrier refunds (paid as a revenue abatement) are projected to be $530,189 in FY 2020 based on historical fund trends. FY 2021 – FY 2023 refunds are assessed with a 1.3% growth rate, proportionate to the growth rate in aviation fuel sales (FY 2021 - $537,081; FY 2022 – $544,064; FY 2023 – $551,136). The sunset of the refund program will leave the amount of previously refunded cash in the state

special revenue fund 02287 (aeronautics grant fund) causing an increase in revenues and available cash for assistance grants to local public use airports. Budgeted expenditures will increase by an amount equal to the aviation fuel tax refunds.

2. The sunset of the pavement preservation program will eliminate future transfers of revenue from the state special revenue fund 02827 (aeronautics operations) to the state special revenue fund 02962 (pavement preservation program), creating a zero-net effect in state special revenue funds. The bill moves the grant expenditures to operating expenditures. (Note: pavement preservation funds are calculated as 25% of scheduled passenger air carrier rebates {FY 2020 - $132,547; FY 2021 - $134,270; FY 2022 – $136,016; FY 2023 – $137,784}).
3. Aircraft registration fees are projected to be $510,300 for FY 2020 through FY 2023. The current projected distribution is 90% ($459,270) to the general fund and 10% ($51,030) to aeronautics operations fund. HB 661 will change the ratio to 30% to the general fund ($153,090) and 70% to the aeronautics operations fund $357,210). This redistributes $306,180 annually to support aeronautics operations.
4. The increase in aviation fuel tax will increase the state special revenue fund 02287 (aeronautics grant fund) from $0.02 per gallon of aviation fuel sold to $0.08 per gallon of aviation fuel sold. The projected increase in aviation fuel sales are assessed with a 1.3% growth rate (FY 2021 - $2,469,021; FY 2022 - $2,515,474; FY 2023 - $2,571,963; FY 2024 - $2,600,586). The bill will cause an increase in revenues and available cash for assistance grants to local public use airports. Budgeted expenditures will increase by an amount equal to the additional aviation fuel tax revenue deposited to the aeronautics grant fund.
5. The increase in aviation fuel tax will create a new state special revenue fund for aeronautics educational grants with $0.04 per gallon of aviation fuel sold. The projected increase in aviation fuel sales are assessed with a 1.3% growth rate (FY 2021 - $1,646,014; FY 2022 - $1,676,983; FY 2023 - $1,714,642; FY 2024 - $1,733,724). The bill will cause an increase in revenues and available cash for assistance grants provide for aviation education and aviation mechanics education in Montana. Budgeted expenditures will increase by an amount equal to the aviation fuel tax revenue deposited to the aeronautical educational grant fund.
6. Section 17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(3), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

	YES	NO
a. The money is from a continuing, reliable, and estimable source.	Y	
b. The use of the appropriation or the expenditure occurrence is predictable and reliable.	Y	
c. The authority exists elsewhere.		N
d. An alternative appropriation method is available, practical, or effective.		N
e. It appropriates state general fund money for purposes other than paying for emergency services.		N
f. The money is used for general purposes.		N
g. The legislature wishes to review expenditure and appropriation levels each biennium.		N
h. An expenditure cap and sunset date are excluded.		N

	FY 2020 Difference	FY 2021 Difference	FY 2022 Difference	FY 2023 Difference
Fiscal Impact:				
Expenditures:				
Operating Expenses	$387,697	$389,420	$391,166	$392,394
Grants	$4,563,708	$4,646,297	$4,745,683	$4,799,231
TOTAL Expenditures	$4,951,405	$5,035,717	$5,136,849	$5,191,625
Funding of Expenditures:				
General Fund (01)	$0	$0	$0	$0
State Special Revenue (02)	$4,951,405	$5,035,717	$5,136,849	$5,191,625
TOTAL Funding of Exp.	$4,951,405	$5,035,717	$5,136,849	$5,191,625
Revenues:				
General Fund (01)	($306,180)	($306,180)	($306,180)	($306,180)
State Special Revenue (02)	$4,951,405	$5,035,717	$5,136,849	$5,191,625
TOTAL Revenues	$4,645,225	$4,729,537	$4,830,669	$4,885,445
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	($306,180)	($306,180)	($306,180)	($306,180)
State Special Revenue (02)	$0	$0	$0	$0

Effect on County or Other Local Revenues or Expenditures:

1. The bill will significantly increase the funds available for state assistance grants to local public use airports in counties across the state.
2. The bill will establish assistance grants for aviation educational programs across the state which could include grants provided to local schools.

Geraldine Custer 3-20-19 | TL | 3/20/19

Sponsor's Initials *Date* | *Budget Director's Initials* *Date*

GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Dedication of Revenue 2021 Biennium

17-1-507, MCA.

a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)** – No – aviation fuel tax payers will benefit.

b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?** – The advantages of a special revenue fund will allow the department to manage resources as intended by the legislation.

c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain) -**
Yes-

d) **Does the need for this state special revenue provision still exist? _Y__Yes ___No (Explain)** There are many needs at local airports across the state.

e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**
No, this spending authority will be within a two separate statutory appropriations and will be tracked separately by fund.

f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)** – Yes, grants to municipalities for airport development and improvement has been an ongoing part of MDT's Aeronautics Program and currently has its own fund. HB 661 increases the grant program and makes this part statutory going forward.

The new educational grants funding will provide for aviation education and aviation mechanics education in Montana and is a critical component of aviation.

g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)** – Accounting and auditing efficiencies will allow the Aeronautics Board to manage cash while meeting the needs of educational grant program applicants.

GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill #	HB 661	Title:	Revise Aviation Fuel Taxation
Primary Sponsor:	Geraldine Custer	Status:	As Amended in House Committee

✓Significant Local Gov Impact ✓Needs to be included in HB 2 ☐Technical Concerns

☐Included in the Executive Budget ☐Significant Long-Term Impacts ☐Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2020 Difference	FY 2021 Difference	FY 2022 Difference	FY 2023 Difference
Expenditures:				
General Fund	$0	$0	$0	$0
State Special Revenue	$1,743,179	$1,762,534	$2,058,103	$2,073,565
Revenue:				
General Fund	($459,270)	($459,270)	($459,270)	($459,270)
State Special Revenue	$1,743,179	$1,762,534	$2,058,103	$2,073,565
Net Impact-General Fund Balance:	($459,270)	($459,270)	($459,270)	($459,270)

Description of fiscal impact: HB 661 will increase Aviation Fuel Tax from $0.04 per gallon to $0.065 per gallon and directs the revenue generated from this tax to the MDT Aeronautics Operations Account and the Airport Grant Account. HB 661 also reduces the $0.02 per gallon of aviation fuel refunded to scheduled passenger air carriers certified under 14 CFR, Part 121 or 135 and makes those funds available for state assistance grants to local public use airports. After July 1, 2021, 1 cent on each gallon of aviation fuel purchased by the carrier may be refunded. Additionally, HB 661 sunsets the Pavement Preservation Program for airports with scheduled passenger air carriers certified under 14 CFR, Part 121 or 135 and the Montana Department of Transportation's Aeronautics Division will retain those funds for operating expenditures. Further, HB 661 will change the percentage of aircraft registration fees that are allocated to the state general fund from 90% to 0%. The aircraft registration fees will be increased by 50% and split between the MDT Aeronautics Operations Account (30%) and the Airport Grant Account (70%).

FISCAL ANALYSIS

Assumptions:

Montana Department of Transportation

1. Scheduled passenger air carrier refunds (paid as a revenue abatement) are projected to be $530,189 in FY 2020 based on historical fund trends. Beginning July 1, 2021, the reduction of the refund program will leave half the amount of previously refunded cash in the state special revenue fund 02287 (aeronautics grant fund) causing an increase in revenues and available cash for assistance grants to local public use airports. Budgeted expenditures will increase by an amount equal to the aviation fuel tax refunds.
2. The sunset of the pavement preservation program will eliminate future transfers of revenue from the state special revenue fund 02827 (aeronautics operations) to the state special revenue fund 02962 (pavement preservation program), creating a zero-net effect in state special revenue funds. The bill moves the grant expenditures to operating expenditures. (Note: pavement preservation funds are calculated as 25% of scheduled passenger air carrier rebates {FY 2020 - $132,547; FY 2021 - $134,270; FY 2022 – $136,016; FY 2023 – $137,784}).
3. Aircraft registration fees are projected to be $510,300 for FY 2020 through FY 2023. The current projected distribution is 90% ($459,270) to the general fund and 10% ($51,030) to aeronautics operations fund. This bill will increase the registration fees by 50%, remove the distribution to the general fund, and change the ratio to 30% to the aeronautics operations fund ($229,635) and 70% to the aeronautics grant fund ($535,815).
4. The increase in aviation fuel tax will increase the state special revenue fund 02287 (aeronautics grant fund) from $0.02 per gallon of aviation fuel sold to $0.045 per gallon of aviation fuel sold. The projected increase in aviation fuel sales are assessed with a 1.3% growth rate (FY 2020 - $1,028,759; FY 2021 - $1,048,114; FY 2022 - $1,071,651; FY 2023 - $1,083,577). The bill will cause an increase in revenues and available cash for assistance grants to local public use airports. Budgeted expenditures will increase by an amount equal to the additional aviation fuel tax revenue deposited to the aeronautics grant fund.
5. Section 17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(3), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

	YES	NO
a. The money is from a continuing, reliable, and estimable source.	Y	
b. The use of the appropriation or the expenditure occurrence is predictable and reliable.	Y	
c. The authority exists elsewhere.		N
d. An alternative appropriation method is available, practical, or effective.		N
e. It appropriates state general fund money for purposes other than paying for emergency services.		N
f. The money is used for general purposes.		N
g. The legislature wishes to review expenditure and appropriation levels each biennium.		N
h. An expenditure cap and sunset date are excluded.		N

Fiscal Impact:	**FY 2020 Difference**	**FY 2021 Difference**	**FY 2022 Difference**	**FY 2023 Difference**
Expenditures:				
Operating Expenses	$311,152	$312,875	$314,621	$316,389
Grants	$1,432,027	$1,449,659	$1,743,482	$1,757,176
TOTAL Expenditures	$1,743,179	$1,762,534	$2,058,103	$2,073,565
Funding of Expenditures:				
General Fund (01)	$0	$0	$0	$0
State Special Revenue (02)	$1,743,179	$1,762,534	$2,058,103	$2,073,565
TOTAL Funding of Exp.	$1,743,179	$1,762,534	$2,058,103	$2,073,565
Revenues:				
General Fund (01)	($459,270)	($459,270)	($459,270)	($459,270)
State Special Revenue (02)	$1,743,179	$1,762,534	$2,058,103	$2,073,565
TOTAL Revenues	$1,283,909	$1,303,264	$1,598,833	$1,614,295
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	($459,270)	($459,270)	($459,270)	($459,270)
State Special Revenue (02)	$0	$0	$0	$0

Effect on County or Other Local Revenues or Expenditures:

1. The bill will significantly increase the funds available for state assistance grants to local public use airports in counties across the state.

Geraldine Custer	3-28-19	TL	3/28/19
Sponsor's Initials	*Date*	*Budget Director's Initials*	*Date*

GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill #	HB 661	**Title:**	Revise Aviation Fuel Taxation
Primary Sponsor:	Geraldine Custer	**Status:**	As Amended in Senate Committee

✓Significant Local Gov Impact ✓Needs to be included in HB 2 ☐Technical Concerns

☐Included in the Executive Budget ☐Significant Long-Term Impacts ☐Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2020 Difference	FY 2021 Difference	FY 2022 Difference	FY 2023 Difference
Expenditures:				
General Fund	$0	$0	$0	$0
State Special Revenue	$1,656,113	$1,670,747	$1,687,145	$1,698,987
Revenue:				
General Fund	($459,270)	($459,270)	($459,270)	($459,270)
State Special Revenue	$1,656,113	$1,670,747	$1,687,145	$1,698,987
Net Impact-General Fund Balance:	($459,270)	($459,270)	($459,270)	($459,270)

Description of fiscal impact: HB 661 will increase Aviation Fuel Tax from $0.04 per gallon to $0.05 per gallon and directs the revenue generated from this tax to the Montana Department of Transportation (MDT) Aeronautics Operations Account and the Airport Grant Account. HB 661 also repeals the $0.02 per gallon of aviation fuel refunded to scheduled passenger air carriers certified under 14 CFR, Part 121 or 135 and makes those funds available for state assistance grants to local public use airports. Additionally, HB 661 sunsets the Pavement Preservation Program for airports with scheduled passenger air carriers certified under 14 CFR, Part 121 or 135 and the Montana Department of Transportation's Aeronautics Division will retain those funds for operating expenditures. Further, HB 661 will change the percentage of aircraft registration fees that are allocated to the state general fund from 90% to 0%. The aircraft registration fees will be increased by 50% and 100% will go to the MDT Aeronautics Operations Account.

FISCAL ANALYSIS

Assumptions:

Montana Department of Transportation

1. Scheduled passenger air carrier refunds (paid as a revenue abatement) are projected to be $530,189 in FY 2020 based on historical fund trends. Beginning July 1, 2019, the reduction of the refund program will leave the entire amount of previously refunded cash in the state special revenue fund 02287 (aeronautics grant fund) causing an increase in revenues and available cash for assistance grants to local public use airports. Budgeted expenditures will increase by an amount equal to the aviation fuel tax refunds.
2. The sunset of the pavement preservation program will eliminate future transfers of revenue from the state special revenue fund 02827 (aeronautics operations) to the state special revenue fund 02962 (pavement preservation program), creating a zero-net effect in state special revenue funds. The bill moves the grant expenditures to operating expenditures. (Note: pavement preservation funds are calculated as 25% of scheduled passenger air carrier rebates {FY 2020 - $132,547; FY 2021 - $134,270; FY 2022 – $136,016; FY 2023 – $137,784}).
3. Aircraft registration fees are projected to be $510,300 for FY 2020 through FY 2023. The current projected distribution is 90% ($459,270) to the general fund and 10% ($51,030) to aeronautics operations fund. This bill will increase the registration fees by 50%, remove the distribution to the general fund, and distribute the entire amount to the aeronautics operations fund (02827) in the projected amount of $765,450.
4. This bill will decrease the aviation fuel tax in the aeronautics operations fund (02827) from $0.02 per gallon of aviation fuel sold to $0.005 per gallon of aviation fuel sold. The projected decrease in revenue due to this change is FY 2020 - $617,255; FY 2021 - $628,868; FY 2022 - $642,991; FY 2023 - $650,146.
5. The increase in aviation fuel tax will increase the state special revenue fund 02287 (aeronautics grant fund) from $0.02 per gallon of aviation fuel sold to $0.025 per gallon of aviation fuel sold. The bill will cause an increase in revenues and available cash for assistance grants to local public use airports. Budgeted expenditures will increase by an amount equal to the additional aviation fuel tax revenue deposited to the aeronautics grant fund.
6. Section 17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(3), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

	YES	NO
a. The money is from a continuing, reliable, and estimable source.	Y	
b. The use of the appropriation or the expenditure occurrence is predictable and reliable.	Y	
c. The authority exists elsewhere.		N
d. An alternative appropriation method is available, practical, or effective.		N
e. It appropriates state general fund money for purposes other than paying for emergency services.		N
f. The money is used for general purposes.		N
g. The legislature wishes to review expenditure and appropriation levels each biennium.		N
h. An expenditure cap and sunset date are excluded.		N

Fiscal Impact:	**FY 2020 Difference**	**FY 2021 Difference**	**FY 2022 Difference**	**FY 2023 Difference**
Expenditures:				
Operating Expenses	$229,712	$219,822	$207,445	$202,058
Grants	$1,426,401	$1,450,925	$1,479,699	$1,496,929
TOTAL Expenditures	$1,656,113	$1,670,747	$1,687,144	$1,698,987
Funding of Expenditures:				
General Fund (01)	$0	$0	$0	$0
State Special Revenue (02)	$1,656,113	$1,670,747	$1,687,144	$1,698,987
TOTAL Funding of Exp.	$1,656,113	$1,670,747	$1,687,144	$1,698,987
Revenues:				
General Fund (01)	($459,270)	($459,270)	($459,270)	($459,270)
State Special Revenue (02)	$1,656,113	$1,670,747	$1,687,144	$1,698,987
TOTAL Revenues	$1,196,843	$1,211,477	$1,227,874	$1,239,717
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	($459,270)	($459,270)	($459,270)	($459,270)
State Special Revenue (02)	$0	$0	$0	$0

Effect on County or Other Local Revenues or Expenditures:

1. The bill will significantly increase the funds available for state assistance grants to local public use airports in counties across the state.

Geraldine Custer — *Sponsor's Initials*

Date

TL — *Budget Director's Initials*

4/15/19 — *Date*

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TRANSPORTATION

Call to Order: Chair Denley M. Loge, on March 20, 2019 at 3:00 PM, in Room 455 Capitol

ROLL CALL

Members Present:

Rep. Denley M. Loge, Chair (R)
Rep. Bridget Smith, Vice Chair (D)
Rep. Frank Fleming (R)
Rep. Rodney Garcia (R)
Rep. Sharon Greef (R)
Rep. Derek J. Harvey (D)
Rep. Joshua Kassmier (R)
Rep. Jasmine Krotkov (D)
Rep. Zac Perry (D)
Rep. Mark Sweeney (D)

Members Excused:

Rep. Frank Garner, Vice Chair (R)
Rep. Julie Dooling (R)
Rep. Dave Fern (D)
Rep. Joel G. Krautter (R)

Members Absent: None

Staff Present:

Joe Carroll, Legislative Branch
Kathlyn Royal, Committee Clerk

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 661, 3/15/2019; SB 228, 3/15/2019

15:01:22 Chair Loge

HEARING ON SB 228

Opening Statement by Sponsor:
15:02:56 Sen. Brian Hoven (R), SD 13, opened the hearing on SB 228, Authorize joint resident and non-resident vehicle ownership.

Proponents' Testimony:
15:10:54 Scott Meredith, Deer Creek Corporate Services Inc. (LLCTLC)
EXHIBIT(trh57a01)
EXHIBIT(trh57a02)

15:15:54 Roy Andes, Deer Creek Corporate Services Inc. (LLCTLC)
15:17:51 Rep. Dooling joined the meeting.
15:19:27 Michael Willing, Deer Creek Corporate Services Inc. (LLCTLC)

Opponents' Testimony:
15:22:30 Betty Rummel, Treasurer, Roosevelt County
15:25:06 Jim Stanger, Helena Motors
15:26:12 Rep. Krautter joined the meeting.
15:27:38 Bruce Knudsen, Montana Auto Dealers Association (MTADA)
15:29:18 Jeremy Rice, Motor Vehicle Division (MVD)
15:32:36 Joann Loehr, Motor Vehicle Division (MVD)
15:38:10 Sandy Christianson, Treasurer, Richland County
15:39:34 Kevin Larkin, Treasurer, Park County
15:40:48 Terri Kunz, Treasurer, Jefferson County
15:42:16 Rocky Haralson, Montana County Treasurers Association (MCTA)
15:43:00 Dan Whitesitt, Treasurer, Ravalli County
15:43:38 Jennifer Blossom, Treasurer, Gallatin County

Informational Testimony: None

Questions from Committee Members and Responses:
15:45:13 Rep. Krotkov
15:45:47 Joann Loehr, MVD
15:46:00 Rep. Krotkov
15:46:07 Joann Loehr, MVD
15:46:26 Vice Chair Smith
15:46:41 Scott Meredith, LLCTLC
15:47:29 Rep. Perry
15:47:56 Michael Willing, LLCTLC
15:48:40 Rep. Krotkov
15:49:35 Sen. Hoven, SD 13
15:51:18 Chair Loge
15:51:58 Bruce Knudsen, MTADA
15:52:53 Chair Loge
15:53:02 Bruce Knudsen, MTADA
15:53:12 Chair Loge

15:53:33 Joann Loehr, MVD
15:53:53 Vice Chair Smith
15:54:06 Joann Loehr, MVD
15:54:23 Rep. Sweeney
15:54:31 Joanne Loehr, MVD
15:54:41 Rep. Harvey
15:55:08 Joann Loehr, MVD
15:55:17 Rep. Sweeney
15:56:03 Betty Rummel, Richland County
15:56:38 Rep. Dooling
15:57:09 Jeremy Rice, MVD
15:57:38 Rep. Dooling
15:58:11 Rep. Harvey
15:58:34 Joann Loehr, MVD

Closing by Sponsor:
15:59:04 Sen. Hoven, SD 13

16:04:50 Recessed
16:10:52 Reconvened with Rep. Kassmier excused.

HEARING ON HB 661

Opening Statement by Sponsor:
16:11:18 Rep. Geraldine Custer (R), HD 39, opened the hearing on HB 661, Revise aviation fuel taxation.
EXHIBIT(trh57a03)

16:16:46 Chair Loge

Proponents' Testimony:
16:17:30 Doug Phair, Miles City Airport
EXHIBIT(trh57a04)
EXHIBIT(trh57a05)
EXHIBIT(trh57a06)
EXHIBIT(trh57a07)

16:21:02 Trish McKenna, self
16:22:15 Rep. Kassmier joined the meeting.
16:23:18 Roger Lincoln, self
16:25:28 Robert Buckles, self
16:27:01 Peter Smith, Montana Pilots Association
16:29:46 Rep. Becky Beard, HD 80
16:32:15 Scott Newpower, self
16:33:55 William Hurd, Montana Pilots Association, Havre Flying Club
16:36:04 David Smith, Montana Contractors Association
16:36:53 Holly Phelps, City of Lewistown
16:38:15 Rep. Ken Holmlund, HD 38
16:38:35 Steve Brown, self

16:42:00 Todd Devlin, Commissioner, Prairie County
16:44:56 Shane Gorder, Commissioner, Richland County
16:46:31 Kathy Bailey, Snowy Mountain Development Corporation (SMDC)
EXHIBIT(trh57a08)

16:49:25 Donald Hartrich, Montana Pilots Association, Montana Aeronautics
16:52:01 John Hudson, self
16:53:16 Kevin Myhre, Century Companies Inc.
16:56:20 Barry Holzworth, self
16:56:52 Rep. Kassmier left the meeting.
16:57:10 Walt McNutt, self
EXHIBIT(trh57a09)

17:00:30 John McKenna, self

Opponents' Testimony:
17:07:32 Penny Zacharisen, Bozeman Area Chamber of Commerce
17:09:30 Shaun Williams, Airlines for America (A4A)
EXHIBIT(trh57a10)
EXHIBIT(trh57a11)

17:12:56 Scott Humphrey, Bozeman International Airport
EXHIBIT(trh57a12)

17:16:57 Robin Hoover, Yellowstone Country Montana
17:19:12 Bob Story, Montana Taxpayers Association (MTA)
17:22:00 Brian Ellestad, Missoula Airport
17:25:27 Spook Stang, Motor Carriers of Montana (MCM)
17:28:37 Ron Hooper, Neptune Aviation
17:32:24 Bridger Mahlum, Montana Chamber of Commerce
17:34:26 Bob Gilbert, MATA
17:37:30 Jeff Wadekamper, Helena Regional Airport
17:40:28 Charlotte Lauerman, Montana Lodging & Hospitality Association
EXHIBIT(trh57a13)

17:42:04 John Faulkner, Great Falls Airport
17:45:02 John Maxness, self
17:48:25 Shane Scanlon, Kalispell Chamber of Commerce
17:49:48 Mark Baker, Delta Airlines
EXHIBIT(trh57a14)

Informational Testimony:
17:53:06 Larry Flynn, Department of Transportation (MDT)
17:53:25 Tim Conway, Aeronautics Administrator, Department of Transportation (MDT)

Questions from Committee Members and Responses:
17:53:57 Rep. Dooling
17:54:37 Shaun Williams, A4A
17:55:35 Rep. Krautter
17:56:23 Walt McNutt, self

18:00:35 Rep. Harvey
18:01:07 Shaun Williams, A4A
18:01:15 Rep. Harvey
18:01:54 Shaun Williams, A4A
18:03:24 Rep. Sweeny
18:04:10 John McKenna, self
18:06:59 Rep. Dooling
18:07:48 Jeff Wadekamper, Helena Regional Airport
18:08:52 Rep. Fleming
18:09:27 Rep. Custer, HD 39
18:10:23 Doug Phair, Miles City Airport
18:13:44 Chair Loge
18:14:06 Tim Conway, MDT
18:14:53 Chair Loge
18:15:08 Tim Conway, MDT
18:15:21 Chair Loge
18:15:32 Tim Conway, MDT
18:16:07 Chair Loge
18:16:30 Ron Hooper, Neptune Aviation
18:19:28 Chair Loge
18:19:33 Ron Hooper, Neptune Aviation
18:21:39 Vice Chair Smith
18:21:59 Bob Gilbert, MATA
18:23:12 Rep. Garcia
18:23:35 Chair Loge
18:24:00 Scott Humphrey, Bozeman International Airport
18:25:07 Chair Loge
18:25:41 Peter Smith, Montana Pilots Association
18:25:58 Tim Conway, MDT
18:26:18 Chair Loge

Closing by Sponsor:
18:26:38 Rep. Custer, HD 39

18:31:48 Chair Loge

ADJOURNMENT

Adjournment: 18:32:54

_____
Kathlyn Royal, Clerk

kr

Additional Documents:

EXHIBIT(trh57aad.pdf)

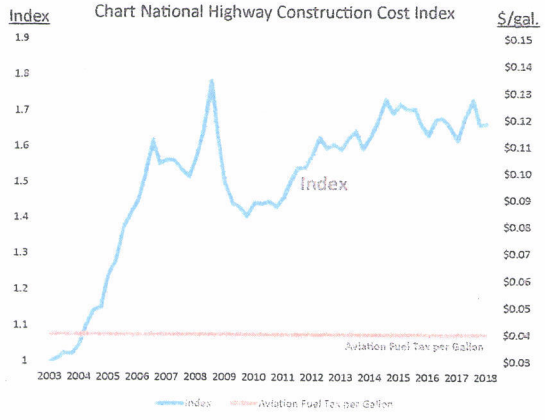
EXHIBIT 3
DATE 3/20/19
HB 661

PILOTS FOR MONTANA AIRPORTS
HOUSE BILL 661

Montana's Community Airports and MDT Aeronautics are in critical need of help and the solution is not difficult!

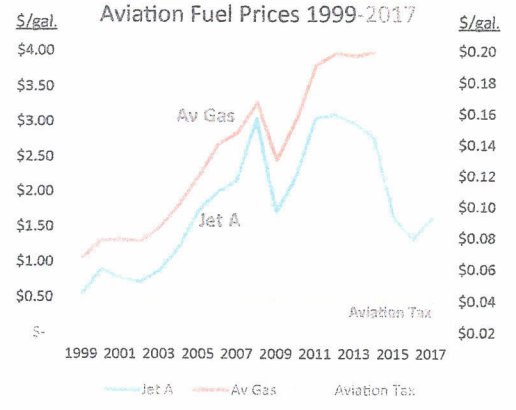
1. The Aviation Fuel tax has remained static at $0.04/gal since 1999.
2. MDT Aeronautics is primarily funded by the aviation fuel tax (60% of total budget) for Aeronautics Operations and Grants to Montana's public use airports.
3. 90% of aircraft registration fees go to the general fund. The 10% going to MDT Aeronautics does not cover the cost of the registration program.
4. MT Aeronautics has run significant deficits despite an annual infusion of $150,000 from Montana Department of Transportation (MDT).
5. General Aviation pays 75% of the aviation fuel tax in Montana.
5. Scheduled Passenger Air Carriers (Airlines) received **rebates** of $362,926 in FY17 and are projected to receive $591,000 in FY19 and $530,000 in FY20. Funds that would otherwise be in the Aviation Grant Fund.
6. Critical airport improvement projects are not moving forward due to lack of funds.
7. Construction costs and fuel prices are significantly higher while the aviation fuel tax has remained fixed at $0.04

Construction Costs are significantly higher while Montana's Aviation Fuel Tax has remained fixed



Source: US DOT Federal Highway Administration

Aviation Fuel has increased 250 - 400% while Montana's Aviation Fuel Tax has remained static



Source: US Energy Information Administration

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MONTANA AIRPORTS

- There are 123 Public Use Airports in Montana. 64 are eligible to receive Federal Aviation Administration (FAA) matching grant funds for airport improvements. The 90%/10% grants require 10% local matching funds.

- The remaining 59 airports fund improvements with local (city/county) funds and/or assistance (if available) from MDT Aeronautics grant program.

- Air Ambulance operators use Montana's numerous public use airports every day.

- Montana's Community Airports are critical to wildland firefighting activities.

- Montana's Aviation System is estimated to provide an overall net contribution to the state's economy of nearly $2.8 billion in business sales and approximately 24,000 jobs.

- Montana Community Airports provide a base of operations for:
  - Air Ambulance
  - Flight Training
  - Utility Inspection
  - Business Travel
  - Military Operations
  - Agricultural Operations
  - Firefighting Operations on State, Federal & Private lands
  - Search & Rescue Operations
  - Executive Transport
  - Tourism & Recreational Travel
  - Law Enforcement
  - Medical Doctors Transportation

HOW THE AVIATION FUEL TAX SUPPORTS MONTANA AIRPORTS

FY19 & FY20 Projections for Funding Airport Projects by MDT Aeronautics

		FY19		FY20	
Aviation Fuel Tax	$ 0.04/gal	$ 1,633,880		$ 1,683,140	
		MDT Aeronautics	Grant Program	MDT Aeronautics	Grant Program
Allocation	50 %	$ 816,940	$ 816,940	$ 841,570	$ 841,570
Scheduled Air Carrier Rebate [1]	$ 0.02/gal		$ 591,443		$ 530,189
Pavement Preservation Fund [2]	25 %	$ 147,861		$ 132,547	
Available for MDT Aeronautics Operations		$ 669,079		$ 709,023	
Available for Grant Program			$ 225,497		$ 311,381
Projected Grant Requests from Community Airports			$ 2,500,000		$ 2,500,000
Funding Shortfall of MDT Aeronautics Grant Program			$ 2,274,503		$ 2,188,619

1) In 1993, the airlines successfully lobbied to receive a $.02/gal. rebate for all fuel purchased. The rebate is subtracted from the funds available for the grant program.
2) A Pavement Preservation Fund was established to provide funding to Montana's Primary airports (Billings, Great Falls, Helena, Bozeman, Missoula, Kalispell, Butte and Sidney) and is calculated at 25% of the total tax less rebate paid by the airlines. This amount is deducted from the MDT Aeronautics Operations revenues.

- Both FAA funded and locally funded public use airports rely on MDT Aeronautics for supplemental funding in the form of loans and grants.

- A typical runway overlay paving project (100' x 5280') with a 15-20 year life span costs approximately $2.6 million. Many local communities, despite qualifying for FAA grant money, are unable to fund the 10% match for major projects like a runway overlay project. For non-federally funded airports the challenge is even greater. As a result, many necessary airport improvement projects at Community Airports are failing to move forward due to lack of available funding.

Funding for community airports has not been addressed for 20 YEARS. Project costs are significantly higher and funding has not kept pace.

MONTANA'S AVIATION FUEL TAX HISTORY AND CURRENT STATUS

LEGISLATIVE HISTORY

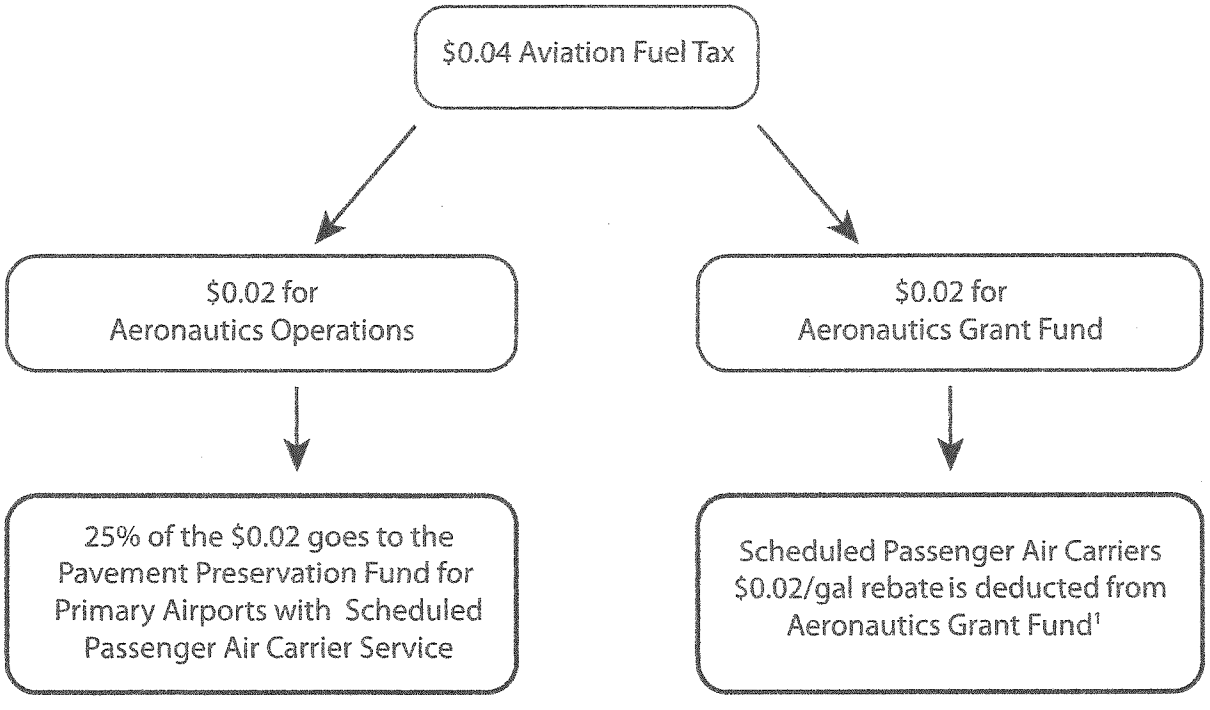
1945 - $0.01 for operations

1993 - $0.01 for loans & $0.01 for grants. **Scheduled Passenger Air Carriers eligible for $0.02/gal rebate of total paid.**

1999 - $0.01 for operations with 25% of the now of $0.02 of MDT Aeronautics operations revenues going to a Pavement Preservation Program for Primary airports.

2001 - Sunset enacted for 1993 program for loan of $0.01 and became $0.01 for Grants.

Since 1999 the Aviation Fuel Tax has remained static at $0.04/gal. distributed as follows:


$0.04 Aviation Fuel Tax
$0.02 for Aeronautics Operations
$0.02 for Aeronautics Grant Fund
25% of the $0.02 goes to the Pavement Preservation Fund for Primary Airports with Scheduled Passenger Air Carrier Service
Scheduled Passenger Air Carriers $0.02/gal rebate is deducted from Aeronautics Grant Fund[1]

1)	Grant Fund	Airline Rebate	Available for Grant after Airline Rebate
FY19	$816,940	$591,433	$225,497
FY20	$841,570	$530,189	$311,381

MONTANA DEPARTMENT OF TRANSPORTATION
AERONAUTICS DIVISION

Supporting Safety, Education, Airports and Aviation in Montana

MDT Aeronautics provides critical funding support for Montana's Public Use Airports

The Aeronautics Division of the Montana Department of Transportation provides these vital services for Montana

- Airport Planning
- Airport Directory
- Safety Inspections of Airports
- Operation of Yellowstone Airport
- Airport Loan & Grant Program
- Air Search & Rescue
- Aviation Education
- Operation of 16 State Owned Airports
- Pilot Registration
- Aircraft Registration

In the preceding 5 years, MDT Aeronautics has fallen short $5,221,560 against Grant funding requests. As a result, community airports are shelving projects knowing that funding assistance is not available.

MDT Aeronautics FY19 and FY20 Projections

Revenue	FY19	FY20
Pilot Registration	$13,460	$13,460
Airport Inspections	$25,350	$25,350
Motor Fuel Tax	$65,281	$66,696
Aviation Fuel Tax	$1,633,880	$1,683,140
Aircraft Registration	$51,030	$51,030
Indirect Costs Recovery	$38,035	$44,173
Hangar Leases	$20,967	$21,659
MDT to supplement revenue [1]	$150,000	$150,000
Resale/Charts/Clinics/Tax Transfer/Misc.	$30,527	$36,497
	$2,028,530	$2,092,005
Expenses		
Personnel Services	$682,508	$783,031
Airline Refund	$591,443	$530,189
Pavement Preservation	$147,861	$132,547
Airport Grants	$266,479	$300,000
Search & Rescue	$21,025	$32,835
Required Maintenance		$110,000
Workshops	$10,099	$45,750
State Owned Airport Expense	$30,174	$30,760
Airport Improvements	$49,995	$32,333
State Aviation System Plan	$15,000	$19,167
Airport Inspections	$ 3,450	$ 3,266
Operating Expenses (rent/utilities/etc.)	$164,538	$164,838
Board/Newsltr/Directory/S&R/Inspection/Misc.	$44,789	$44,043
	$2,029,909	$2,228,459
Revenue less Expenses	($1,379)	($136,454)

1) MDT has been providing $150,000/year to MDT Aeronautics from a non-restricted highway fund. These funds may not be available in the future for MDT Aeronautics.

Unfunded Grant Projects FY15-19

	GRANT		
	Requested Amount	Available Amount	Funded (Unfunded)
FY15	$1,057,125	$425,000	($632,125)
FY16	$1,902,374	$325,000	($1,577,374)
FY17	$1,403,641	$260,000	($1,143,641)
FY18	$1,607,919	$232,500	($1,375,419)
FY19	$768,001	$275,000	($493,001)
Funds Not Available			($5,221,560)

AIRLINE REBATE PROGRAM

Passenger Air Carrier (Airlines) Rebate of $.02/gal

In 1993, the lobby for scheduled airlines successfully lobbied the legislature to rebate the airlines $.02 of the $ .04/gal fuel tax.

The Airlines Position:

1) They only use the Primary airports and should not have to subsidize general aviation airports.
2) They already pay numerous fees at the Primary airports.
3) Airlines will have to raise ticket costs.
4) Airlines will not fuel in Montana.
5) Airlines will pull out of Montana if not rebated the $ 0.02.

Response:

1) All taxpayers, individuals and corporations alike pay taxes for services we do not directly use. Allowing the scheduled airlines a rebate is inherently unfair and discriminatory against general aviation.

2) The type fees (e.g., landing, gate, etc.) imposed by scheduled airline airports are for the services and infrastructure of those individual airports and for the privilege of using those airports. These type fees are normal at airports across the country and have nothing to do with aviation fuel taxes.

3) A $ 0.10[1] increase in tax would add between $0.45 - $ 0.98 to the price of a ticket between Billings and Denver, or Bozeman and Salt Lake City.

4) It is not economical for airlines to haul unnecessary fuel.

5) The majority of routes out of Montana feed hubs and have little competition. Ticket prices are typically much higher on a per mile basis vs more competitive routes and logic would suggest reasonably profitable.

1- 50 passenger CRJ 200, burning 325 gals/hr, 1 1/2 hour flight Billings to SLC, $0.10/gal. = $48.75 per flight or $0.975/passenger

SOLUTIONS

Montana Aviation Infrastructure and Education Investment Act
HOUSE BILL 661

1) Sunset the Scheduled Passenger Air Carrier rebate of $.02 per gallon.
2) Assign 70% of the aircraft registration fees to MDT Aeronautics operations. Currently, 90% of the aircraft registration fees go to the general fund.
3) Sunset the Pavement Preservation Fund.
4) Establish an Aviation Education Grant Fund
5) Raise the aviation fuel tax $0.10 per gallon for a total $0.14 tax per gallon distributed as follows:
    a. $0.08 Aeronautics Grant Fund
    b. $0.04 Aviation Education Grant Fund[1] (to be established)
    c. $0.02 MDT Aeronautics operations.

1. The Education Grant Fund would be established and function like the MDT Aeronautics Grant fund with the Aeronautics Board having authority over where and what the funds are used for. Emphasis on scholarships, equipment, instructors and programs but not administrative employees.

Allocation of existing statutory funds as a result of this this bill

Sunset Airline Subsidy (Rebate)	$ 530,189
Aircraft Registration Fees	$ 357,210
Sunset Pavement Preservation Fund	$ 132,547
New Funding as a result of this bill	
Raise Aviation Fuel Tax by $0.10/gal.	$ 4,207,850

Distribution of new funds & aviation fuel tax	Aviation Grant Fund	Aviation Education Fund	Montana Aeronautics
1) Sunset Airline Rebates	$ 530,189		
2) Aircraft Registration Fees			$ 357,210
3) Aviation Fuel Tax $0.14	$ 3,366,280	$ 1,683,140	$ 841,178[1]
Total	$ 3,896,469	$ 1,683,140	$ 1,198,388
FY20 budget without this bill	$ 300,000		$ 719,542
Net Increase	$ 3,596,469	$ 1,683,140	$ 478,846

1. Includes sunseting the Pavement Preservation Fund

Funding at this level would allow the MDT Grant Fund to cover a significant portion of the required 10% local match for FAA Airport Improvement Projects. When available to community airports, these funds can be leveraged 9 to 1 in the FAA Airport Improvement Program. $3,596,469 In MT Aeronautics grant funds can become up to $35 million in airport improvements for Montana Community Airports and provide grant funds for those airports not in the FAA AIP program.

PILOTS FOR MONTANA AIRPORTS
CONTACT INFORMATION

This document is available for download at www.pilotsformontanaairports.com

Pilots for Montana Airports is a "grass roots" group of pilots from across the state who organized to solve the funding crisis at our community airports with the MDT Aeronautics Grant Program. Adequately funding this program to leverage nine Federal matching dollars with every one local dollar spent is a direct route to insure the viability of Montana's airports. **We need your support this legislative session.** Contact your local state legislators and ask them to support Senate Bill LC1526.

Contact any of these Pilots for Montana Airports volunteers to see how you can help secure the future of Montana airports and Montana Aeronautics.

Doug Phair
doug@ramshot.com
406-951-3740

Pete Smith
mpaprez@gmail.com
406-366-1435

Scott Newpower
scnewps@gmail.com
406-670-3169

Terry Spath
terryspath@yahoo.com
503-812-0606

John McKenna
john@gomckenna.net
406-581-8234

Carmine Mowbray
clarity@cyberport.net
406-253-5700

Jerry Cain
sgr@linctel.net
406-461-5631

Walt McNutt
walt@midrivers.com
406-489-4966

Laurel Municipal Airport
The Laurel Airport is one of the busiest general aviation airports in the state of Montana having nearly 40,000 operations annually. In 2018, the Airport completed a new crosswind runway to replace the existing crosswind runway which was in poor condition, and did not meet FAA standards. The high cost to maintain the old runway was prohibitive. The cost of the new runway was $4-million and in order to fund the project the Airport secured a $400,000 InterCap loan to fund the local match. The initial loan payments will be excess of $30,000 per year which will have a significant impact on the Airport's operating budget and the ability to fund future projects. The Airport also needs to maintain their primary runway, taxiways and apron pavements. Taxiway B has failed and is in need of reconstruction. The existing airport access road also needs to be reconstructed. These projects are estimated to cost $3.7-million. The Airport had planned to do the pavement maintenance and reconstruction of Taxiway B in 2019 but, given their existing debt the airport will have to postpone one or both of these projects. The reconstruction of the airport access road is on hold indefinitely. The Sponsor Contact is Randy Hand, Chairman Laurel Airport Authority, 406 698-6515.

Broadus Airport
Broadus is a remote airport in southeastern Montana. The County would like to construct a new general aviation T-hangar for revenue generation. This hangar project has an estimated cost of $800,000. The project has been delayed several years because the County cannot provide the local match. Because grant funds available from Montana Aeronautics are limited, revenue generating projects have not been funded. In recent years grant funds have typically been used almost exclusively for rehabilitation of existing pavements. In 2019, 95% of the grant funds were used for pavement rehabilitation. If the County could receive grant funding from Montana Aeronautics, this project would be constructed. The Sponsor contact is Rod Schaffer, Powder River County Commissioner, 406 436-2657

10,900,000.00
Morrison - Maierle Projects

AIRPORTS WITH CIP NEEDS IN THE NEXT 2 - 5 YEARS
(AS OF MARCH, 2019)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST ($)	LOCAL SHARE ($)
Lewistown	Pavement maintenance/rehab, SRE	$ 4,425,000.00	$ 442,500.00
Blaine County			
-Turner	Pavement maintenance/rehab	$ 2,660,666.67	$ 266,066.67
-Harlem	Pavement rehab	$ 1,950,000.00	$

Engineering Projects MT Airports

From : Doug <doug@ramshot.com> Thu, Mar 14, 2019 05:54 PM
Subject : Engineering Projects MT Airports
To : Jeri Custer (geraldine.custer@mtleg.gov) <geraldine.custer@mtleg.gov>

2 attachments

Geri, some more information just received. Two different engineering firms that work with Montana airports. Lots of numbers!

KLJ Projects
Dawson Community Airport (Glendive)
In 2017, the Airport received a FAA grant to upgrade and expand the existing terminal. It was originally anticipated the construction cost was going to be on the order of $500,000. Because of necessary work to bring the building up to code, dealing with asbestos mitigation, providing for ADA, and meeting TSA requirements, the estimated project cost now exceeds $1.4-million. In 2018, Dawson County put the terminal project on hold. The Airport also needs to address $2.1-million in pavement rehabilitation over the next few years. Keeping the pavements in a safe and serviceable condition is a priority over the terminal project. In 2018 the County asked all departments to cut their budgets by 10% across the board. The County cannot realistically fund both the terminal improvements and the necessary pavement rehabilitation project. The Sponsor contact is Craig Hostetler, Airport Manager, 406.939.4505

Frank Wiley Field (Miles City)
In 2015, the Airport completed a $4.4-million Phase I project to reconstruct a portion of RW 4-22 to correct significant frost heave problems, and reconstruct a portion of the apron which had deteriorated to the point is was unsafe because of FOD concerns. The Phase II project will shift the RW 4-22 thresholds to provide standard runway protection zones, and reconfigure a dangerous runway/taxiway/runway intersection. The design of the Phase II project was postponed in 2017 and 2018. Construction of this work was originally planned for 2019. The FAA is anticipating 2020 construction, however this is highly unlikely because the Airport does not have the local match necessary to fund this $2.9-million project. The Sponsor contact is Doug Phair, Chairman Miles City Airport Commission, 406-951.3740.

195,000.00
-Chinook Pavement maintenance $ 167,000.00 $ 16,700.00
-Hoagland None
Poplar SRE, TW construction, Pavement maintenance $ 1,695,400.00 $ 166,540.00
Lincoln County
-Libby Pavement rehab/maintenance $ 2,265,000.00 $ 15,000.00
-Eureka Pavement maintenance, taxilane construction, hangars $ 802,223.00 $ 80,223.00
Hardin SRE, AWOS, Pavement maintenance, Master Plan $ 666,666.00 $ 66,666.60
Deer Lodge RW extension, Pavement maintenance $13,168,825.00 $1,315,686.00
Anaconda Pavement maintenance, ramp reconstruction $ 1,857,500.00 $ 185,750.00
Columbus apron and taxiway construction $ 1,134,887.60 $ 113,488.76
Stevensville Pavement maintenance/rehab, lighting, taxiway construction, $ 2,168,000.00 $ 216,800.00
TOTAL $32,961,168.27 $3,080,421.03

10,900,000.00
43,861,168.27

Douglas B. Phair
Western Powders Inc.
PO Box 158
184 Hwy 59 North
406-234-0422

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ATT86549
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EXHIBIT 4
DATE 3/20/19
HB 661

CRAIG C. CANFIELD
538 CHERRY HILLS ROAD
BILLINGS, MONTANA 59105
ccmthandnball@gmail.com
406 860.0133

March 16, 2019

Representative Denley M. Loge, Chairman
Transportation Committee - 66th Legislature
Montana House of Representatives

RE: An Act Revising Aeronautics Funding
House Bill 661

Dear Representative Loge;

I am writing this letter in support of HB 661. As proposed, the bill will increase the tax on aviation fuel, or should I say the user fee, from 4-cents a gallon to 14-cents a gallon. The proposed user fee will raise an estimated $5.8-million for operations, grants, and aviation education programs administered by the Montana Aeronautics Division.

In 2018, nearly $18,000,000 in capital improvements were provided under the FAA's Airport Improvement Program at general aviation airports across Montana. In recent years, grants from Montana Aeronautics have averaged $260,000 per year and typically go towards offsetting the local share of an FAA project. The funding provided by Montana Aeronautics was less than 1.5% of the total cost of these projects. While grants from Montana Aeronautics are appreciated, they fall well short of the need.

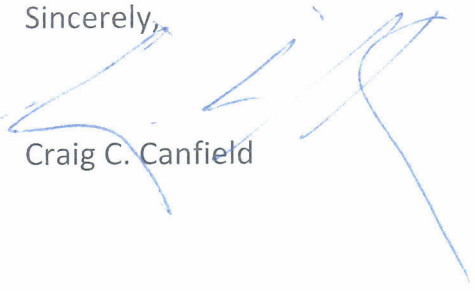
From a pilots perspective HB 661 is a great deal! I fly approximately 100 hour per year for both business and personal travel. In 2018, I bought 1,179 gallons of aviation fuel and paid only $47 in user fees. Quite frankly, the user fees I paid didn't even come close to the benefits I received. If the user fee is increased to 14-cents a gallon, I anticipate I will pay around $200 per year. This will be less than 1.5% of my annual expenses to fly. I will gladly pay this increase as I know it directly impacts the safety and utility of the airports I use. **The proposed increase in the aviation fuel tax is insignificant and a non-issue to pilots!**

HB 661 will also benefit the airlines and other commercial interests. There is a shortage of qualified commercial pilots and mechanics in the United States. Boeing's 2018 Pilot & Technician Outlook says aviation is looking at an unprecedented demand of 790,000 pilots and 754,000 maintenance technicians over the next two decades. The proposed legislation will generate an estimated $1.3-million annually for aviation education programs administered by Montana Aeronautics. The education grants will support scholarships, equipment, programming, and instructors for students interested in an aviation related career.

I urge the Transportation Committee and the Montana Legislature to support HB 661. This legislation has a negligible fiscal impact to the residents of Montana and a huge positive impact to aviation.

Thank-you for the opportunity to voice my support for HB 661.

Sincerely,



Craig C. Canfield

EXHIBIT 5
DATE 3/20/19
HB 661

To: Montana House Transportation Committee

From: Carmine Mowbray, former Senator, Montana District 6, Republican
Montana resident since 1973;
Private Pilot since 1977;
Long standing member of Montana Pilots Association.

RE: House Bill 661 — Proponent

March 20, 2019

Greetings Honorable Committee Members,

I earned my pilot license in Butte in 1977 and have flown extensively for business and family tourism into many of Montana's airports.

Montana has a proud aviation history. Of the Lower 48 states, Montana's "Big Sky Country" attracts people from all over the country. Montana's community airports serve these tourists, and are essential for air ambulance, firefighting, search and rescue, law enforcement and student pilot training.

Our community airports are at risk of deteriorating and becoming hazardous. Many infrastructure projects have been abandoned due to lack of funds, forfeiting the 90% FAA grants that accumulate from taxes on aviation fuels — not US taxpayers.

We are not asking Montana taxpayers for help to keep Montana Aeronautics viable. We are stepping up to pay our way with the 10¢ increase. Frankly, it is long overdue, when you consider that aviation fuel tax has remained at 4¢ since 1999, and highway gas taxes are boosted frequently and are now over 31¢ per gallon.

We pilots worked on House Bill 661 as a user-funded, permanent solution that has immediate benefit. It does even more than provide leverage for millions of FAA dollars. It will fund Aeronautics scholarships for our Montana kids who yearn for careers in the exciting field of aviation.

We anticipate a reaction from the airlines. We feel the extra dollar or so for a round-trip ticket is negligible. We value airline service, and are excited that millions of dollars in improvements are in progress at our large airports to benefit airline travel. But please don't allow Montana's community airports to get neglected. The longer we wait, the more upgrades will cost.

Please join us in this sensible, user-based solution. You'll ensure the future our Aeronautics Division that is fitting for a place called "Big Sky Country."

EXHIBIT 6
DATE 3/20/19
HB 661

Good Morning.
My name is Jerome Cain.

I am a private pilot having retired in 1995 to my ranch just west of Lincoln MT which I purchased in 1990 for retirement purposes. One of my reasons for choosing Lincoln as my retirement home is because it had the state-owned Lincoln Airport.

After moving to Lincoln, I created the non-profit Lincoln Flying Club, became the Aircraft Owners and Pilots Association Airport Support Network volunteer for Lincoln Airport, and have volunteered my time and equipment to assist the Montana Aeronautics Division in the preservation, maintenance, and promotion of the Lincoln Airport as a valuable asset to the Lincoln Community and surrounding area. I have hosted annual fly-in barbeques starting in 2003 and then combined those with a community airport open house in 2016. I am listed in the Montana Airport Directory as the local contact for current information about the airport and the surrounding area.

In 2003, I also co-founded the Recreational Aviation Foundation (RAF), a Montana based national public charity for the preservation, maintenance, and creation of recreational airstrips across the entire nation. The RAF currently has approximately 10,000 members from all 50 states and 27 foreign countries. The RAF provides airport assistance to public agencies both financially and in volunteer services. Montana's airports and economy significantly benefit from the mission of the RAF.

Montana state, county, city, and privately owned public use airports are suffering from the lack of funding necessary to preserve and maintain these valuable assets. Without increasing the dollars available to the Montana Aeronautics Division for the preservation and support of all things aviation in Montana, recreational and business flying in Montana will decrease as will its contribution to Montana's economy. In addition to recreational and business flying, Montana's rural airports provide immediate access for emergency medical care via air ambulance transport to hospitals in larger cities.

HB661 will provide the necessary funding through various methods that include an increase in the fuel tax which is actually a user fee since it is only paid by aircraft owners and pilots such as myself. Part of that increase funding will be available as the 10% state match to 90% of FAA funding to provide maintenance and improvements to publically owned airports in Montana. Without those matching funds, Montana loses out on millions of available FAA airport improvement dollars.

I and my pilot friends fully support HB661 and ask that you also support it.

Thank you.

Testimony to House Transportation Committee

March 20, 2019

EXHIBIT 7
DATE 3/20/19
HB 661

Mr. Chairman, Members of the Committee:
Subject: HB 661

My Name is Terry Spath and I split my time between Helena and Lincoln. I keep my personal plane in Lincoln, and I fly the Dick Anderson Construction King Air (shown below) out of Helena. I am representing myself and Dick Anderson Construction (DAC). Today I am flying a business trip to Fargo so I can't testify in person. However, I send this photo of me and the DAC plane in order to join you photographically:

Photo of DAC
Beech King Air 200
at Jackson, Wyoming.
Site of a current project
Cruise 300 MPH
9 Passenger
Operating cost - $1,000 / hour
Fuel burn – 100 gallons / hour

The Company plane allows our employees to reach any part of Montana and neighboring states in less than two hours. We fly into primary airports like Billings and Missoula but also utilize smaller airports like Havre and Columbus.

The proposed State charge on aviation fuel of 14 cents per gallon is about 1½ % of our operating costs. We would gladly pay this to help the State match FAA funded Airport Improvements and for State aviation education.

Please support HB 661.

Thank you

Terry Spath terryspath@yahoo.com 503-812-0606

EXHIBIT 8
DATE March 20th 2019
HB 661

March 19, 2019

House Transportation Committee
Montana Legislature
Helena, Montana

Members of the Transportation Committee,

The Fergus County Port Authority is Central Montana's economic development group appointed by our county commissioners. We have members and friends representing all segments of our community.

At last week's meeting, the Port Authority and guests unanimously agreed to support HB661 to revise aviation fuel taxation.

Our Lewistown Airport and community airports all across Montana are engines of economic growth and community development. The infrastructure of these airports is slowly deteriorating, and Montana has done a poor job of raising the necessary funds to match federal funds to insure that state airports receive necessary maintenance and upgrades. This has a dramatic impact on our communities and residents, whether or not we are pilots.

HB661 addresses that and is a request from those who use our state's airports to raise their user fees to insure that they can safely and confidently continue to use those airports.

In Lewistown, we understand the concern of our large cities and their airports about this bill. We are customers of the airports of Billings, Bozeman and Great Falls. The impact of this bill is pennies on the airfares we pay to fly out of Montana.

But HB661 would be millions of dollars for the maintenance of airports in Montana's rural communities, airports which are struggling to maintain their services to their communities and their pilots.

The Fergus County Port Authority joins the City of Lewistown and Fergus County in pleading with you to support HB661 and the dramatic improvement it would make possible for Montana aviation.

Sincerely,

Bret Carpenter, Chair
Dave Byerly, Vice Chair
Members of friends, Fergus County Port Authority
Lewistown, Montana

EXHIBIT 9
DATE March 20th 2019
HB 661

CRAIG C. CANFIELD
538 CHERRY HILLS ROAD
BILLINGS, MONTANA 59105
ccmthandnball@gmail.com
406 860.0133

March 16, 2019

Representative Denley M. Loge, Chairman
Transportation Committee - 66th Legislature
Montana House of Representatives

RE: An Act Revising Aeronautics Funding
House Bill 661

Dear Representative Loge;

I am writing this letter in support of HB 661. As proposed, the bill will increase the tax on aviation fuel, or should I say the user fee, from 4-cents a gallon to 14-cents a gallon. The proposed user fee will raise an estimated $5.8-million for operations, grants, and aviation education programs administered by the Montana Aeronautics Division.

In 2018, nearly $18,000,000 in capital improvements were provided under the FAA's Airport Improvement Program at general aviation airports across Montana. In recent years, grants from Montana Aeronautics have averaged $260,000 per year and typically go towards offsetting the local share of an FAA project. The funding provided by Montana Aeronautics was less than 1.5% of the total cost of these projects. While grants from Montana Aeronautics are appreciated, they fall well short of the need.

From a pilots perspective HB 661 is a great deal! I fly approximately 100 hour per year for both business and personal travel. In 2018, I bought 1,179 gallons of aviation fuel and paid only $47 in user fees. Quite frankly, the user fees I paid didn't even come close to the benefits I received. If the user fee is increased to 14-cents a gallon, I anticipate I will pay around $200 per year. This will be less than 1.5% of my annual expenses to fly. I will gladly pay this increase as I know it directly impacts the safety and utility of the airports I use. **The proposed increase in the aviation fuel tax is insignificant and a non-issue to pilots!**

HB 661 will also benefit the airlines and other commercial interests. There is a shortage of qualified commercial pilots and mechanics in the United States. Boeing's 2018 Pilot & Technician Outlook says aviation is looking at an unprecedented demand of 790,000 pilots and 754,000 maintenance technicians over the next two decades. The proposed legislation will generate an estimated $1.3-million annually for aviation education programs administered by Montana Aeronautics. The education grants will support scholarships, equipment, programming, and instructors for students interested in an aviation related career.

I urge the Transportation Committee and the Montana Legislature to support HB 661. This legislation has a negligible fiscal impact to the residents of Montana and a huge positive impact to aviation.

Thank-you for the opportunity to voice my support for HB 661.

Sincerely,

Craig C. Canfield

EXHIBIT 10
DATE 3/20/19
HB 661

Airlines for America
We Connect the World

Representative Denley Loge, Chair
House Transportation Committee
State Capitol
P.O. Box 200400
Helena, MT 59620

March 19, 2019

Re: HB 661

Dear Representative Loge and Members of the House Transportation Committee:

On behalf of the member airlines of Airlines for America[1], I write to express our opposition to proposed legislation that would more than triple the excise tax on jet fuel, a potentially devastating increase by any reasonable measure. Airlines for America (A4A) is the trade organization of the principal U.S. airlines. The fundamental purpose of the association is to foster a business environment that drives our nation's economy and global competitiveness.

Montana is currently in the middle of the pack (22nd) when it comes to state tax burdens on jet fuel. If HB 661 passes, Montana would jump to 11th most burdensome. That is not a ranking the state would want to tout as it tries to encourage economic development in Montana.

Jet fuel taxes can have a very negative impact on air transportation.

Like other industries, every penny matters. U.S. airlines consume more than 20 billion gallons of jet fuel per year to transport 2.3 million passengers and 55,000 tons of cargo per day around the world. Based on annual consumption, a one cent increase in the average price of jet fuel per year increases the industry's fuel bill by $200 million. An increase of two cents would increase the fuel bill by $400 million per year. Paying more in jet fuel taxes means that U.S. airlines will have to invest less in the customer experience primarily in aircraft, ground equipment, airport enhancements, mobile technology, inflight WiFi/entertainment, etc.

Less profitable routes are the first to be cut when profits evaporate.

Analysis of published airline schedules for Montana shows that from 2005 to 2011, as airlines took on massive amounts of debt and were beset by a combination of recession and high fuel prices, the supply of scheduled airline seats fell 26 percent, from 7,502 per day to 5,545 per day. As finances improved over the past seven years, the supply of scheduled airline seats grew 33 percent, to 7,386 seats per day in 2018, and they are currently showing continued growth to an all-time high of 7,800 per day in 2019 - 4 percent higher than in 2005. In fact, scheduled seats departing Bozeman, Kalispell, Missoula and West Yellowstone are higher than they were in 2005. Indeed, small communities are among those to benefit from a healthier airline industry.

Without substantial economic growth, a net increase in the price of fuel could curb future growth, or even force a return to cuts. These are not choices that our members like to make, but rather they are choices that

[1] A4A members include: Alaska Airlines, Inc., American Airlines, Inc., Atlas Air, Inc., Federal Express Corp., Hawaiian Airlines, JetBlue Airways Corp., Southwest Airlines Co., United Continental Holdings, Inc., and United Parcel Service Co.; Air Canada is an associate member.

they are forced to make by the basic laws of economics (profit and loss). Every increase in the cost of doing business either puts upward pressure on the price of travel and shipping or puts downward pressure on the amount of service that can be provided. Tax increases such as what is being proposed are no exception.

As Larry Cox, president and CEO of the Memphis-Shelby County Airport Authority observed in *USA Today* on Aug. 20, 2012: "We'd like more flights. But you're not going to have any flights if the airlines don't make money, so we understand their predicament."

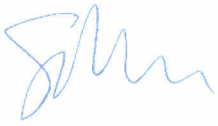
Less air travel means fewer jobs.

From 2000 to 2010, economic and regulatory forces took a heavy toll on employment ranks at U.S. passenger airlines. Government data show a loss of 141,367 full-time equivalent (FTE) jobs over that period. Thanks to a rebound in the operating environment and improving financial condition, in 2018 U.S. passenger airline jobs averaged their highest level since 2004 - up approximately 60,000 FTEs from 2010. Those gains are jeopardized by this proposed tax hike. It would also put marginally profitable flights (and the addition of new routes) at significant risk. This is important in large part not merely because of a possible reduction in head count, but also because airlines, by comparison, pay good wages. The average U.S. airline worker is paid $90,000 in wages - about 47 percent more than the average U.S. private sector employee.

According to the Federal Aviation Administration, commercial aviation supports $1.3 billion in annual gross state product for Montana and $655 million in personal earnings, as well as 21,000 jobs. Why put those numbers at risk?

We appreciate your consideration of our comments and respectfully urge you to reject HB 81. I am available at any time to speak with you about this or any other matter.

Sincerely,



Sean Williams
Vice President, State and Local Government Affairs
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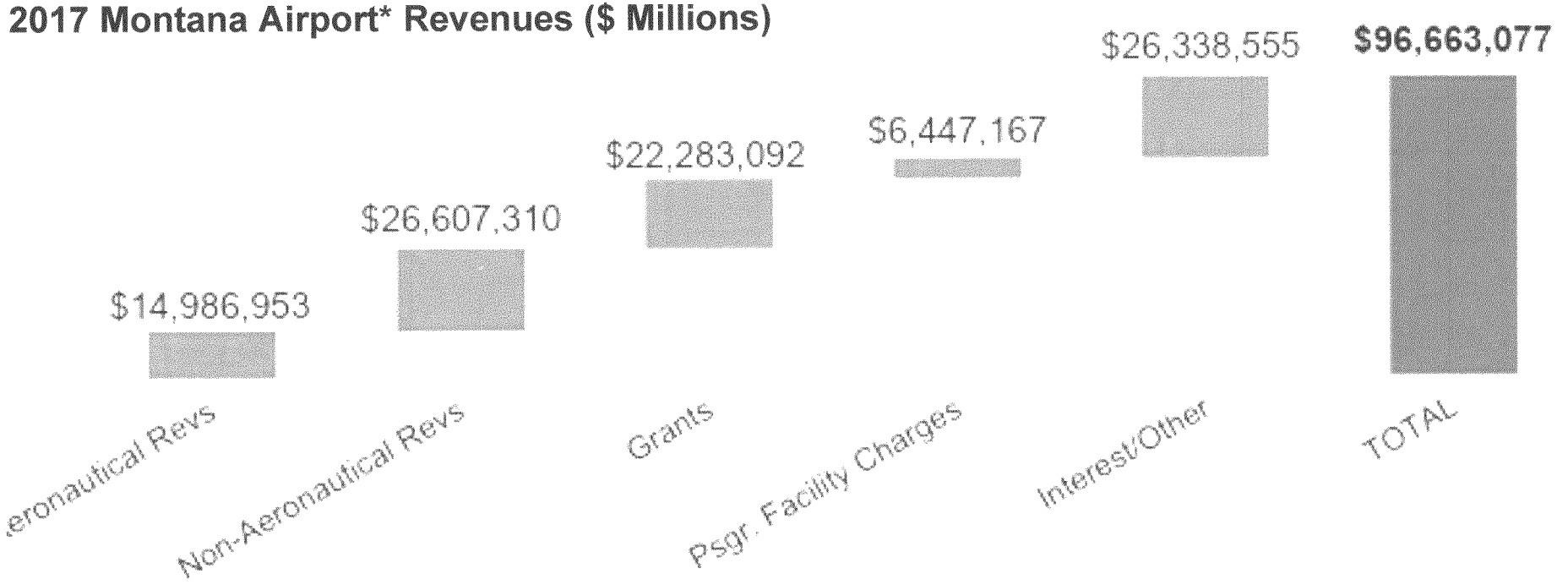
Airlines, Passengers and Shippers Pay for the Vast Majority of Montana Airport* Ops Via Rents, Landing Fees, Parking Fees, Concessions, Ticket Taxes and Cargo Waybill Taxes

2017 Montana Airport* Revenues ($ Millions)



Notes:
Aeronautical = revenue from rents (e.g., terminals, cargo, hangars) and landing fees paid by airlines, military and general aviation
Non-aeronautical = revenues parking, rental cars, food and beverage, retail and other services used by airline customers
Grant receipts may be from federal, state or local sources
Passenger Facility Charge (PFCs) are paid by airline customers

Sources: FAA Operating and Financial Summary (Form 127)

* BIL/BTM/BZN/GPI/GTF/HLN/MSO/SDY/WYS

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The Vast Majority of Aeronautical Revenues at Montana's Commercial-Service Airports Come From Fees Assessed Directly on Passenger Airlines

	2017 Revenues*
Passenger airline landing fees	$ 2,874,352
Terminal arrival fees - rents - utilities	7,027,293
Other passenger aeronautical fees	584,976
Landing fees from cargo	793,870
Landing fees from GA and military	352,299
FBO revenue - contract or sponsor-operated	701,712
Cargo and hangar rentals	914,599
Fuel sales net profit/loss or fuel flowage fees	595,839
Security reimbursement from U.S. government	419,530
Other non-passenger aeronautical revenue	722,483
Total Aeronautical Revenues	**$ 14,986,953**

Sources: FAA Operating and Financial Summary (Form 127)
Airlines pay $3.7 million in centrally assessed taxes annually

* BIL/BTM/BZN/GPI/GTF/HLN/MSO/SDY/WYS

Montana AIP Funding Non-Primary Airports

City	Airport	LocID	Owner-ship	Primary RWY	RWY Condition	Annual AIP Entitlements	AIP AWARDS FY2014-FY2018	AIP Projects
Anaconda	Bowman Field	3U3	PU	RWY 17/35	Good condition	$150,000		
Baker	Baker Municipal	BHK	PU	RWY 13/31	Excellent condition	$150,000	$465,651	Rehabilitate Apron; Construct Taxiway, Expand Apron, Rehabilitate Apron, Rehabilitate Runway - 13/31, Rehabilitate Taxiway
Big Sandy	Big Sandy	3U8	PU	RWY 6/24	Excellent condition	$116,980	$1,380,909	Construct Building, Construct Taxiway, Rehabilitate Apron, Rehabilitate Runway - 06/24, Rehabilitate Taxiway, Rehabilitate Taxiway; Improve Airport Miscellaneous Improvements, Install Airport Beacons, Install Miscellaneous NAVAIDS
Big Timber	Big Timber	6S0	PU	RWY 6/24	Excellent condition	$150,000	$404,339	Acquire Snow Removal Equipment; Rehabilitate Apron, Rehabilitate Runway - 06/24, Rehabilitate Taxiway; Construct Snow Removal Equipment Building, Install Miscellaneous NAVAIDS, Install Runway Lighting - 06/24
Broadus	Broadus	00F	PU	RWY 10/28	Excellent condition	$150,000	$128,338	Rehabilitate Apron, Rehabilitate Runway - 10/28, Rehabilitate Taxiway
Chester	Liberty County	LTY	PU	RWY 7/25	Excellent condition	$95,580	$180,000	Conduct Airport Master Plan Study, Rehabilitate Apron, Rehabilitate Runway - 07/25, Rehabilitate Runway Lighting - 07/25, Rehabilitate Taxiway
Chinook	Edgar G Obie	S71	PU	RWY 8/26	Excellent condition	$150,000	$929,749	Rehabilitate Apron, Rehabilitate Apron, Rehabilitate Runway - 08/26, Rehabilitate Taxiway; Rehabilitate Apron
Choteau	Choteau	CII	PU	RWY 14/32	Excellent condition	$150,000	$427,914	Install Weather Reporting Equipment; Update Airport Master Plan Study
Circle	Circle Town County	4U6	PU	RWY 12/30	Good condition	$150,000	$875,373	Rehabilitate Apron [Aprons A1 and A2], Rehabilitate Runway - 12/30, Rehabilitate Taxiway [Taxiways T1 and T2]; Conduct Miscellaneous Study; Construct Building; Install Perimeter Fencing not Required by 49 CFR 1542, Install Weather Reporting Equipment, Rehabilitate Apron, Rehabilitate Runway - 12/30, Rehabilitate Taxiway
Colstrip	Colstrip	M46	PU	RWY 6/24	Good condition	$150,000	$1,082,250	Construct Taxiway, Expand Apron, Rehabilitate Apron, Rehabilitate Runway - 06/24, Rehabilitate Taxiway
Columbus	Woltermann Memorial	6S3	PU	RWY 10/28	Poor condition	$150,000	$2,198,680	Rehabilitate Apron, Rehabilitate Runway - 10/28, Rehabilitate Runway Lighting - 10/28, Rehabilitate Taxiway; Install Airport Beacons, Install Miscellaneous NAVAIDS, Install Runway Vertical/Visual Guidance System - 10/28, Reconstruct Taxiway, Rehabilitate Apron, Rehabilitate Runway - 10/28, Rehabilitate Runway Lighting - 10/28, Rehabilitate Taxiway
Conrad	Conrad	S01	PU	RWY 6/24	Fair condition	$150,000	$1,125,444	Construct Building, Construct Taxiway, Install Runway Vertical/Visual Guidance System - 06/24, Rehabilitate Airport Beacons, Rehabilitate Apron, Rehabilitate Runway - 06/24, Rehabilitate Taxiway, Remove Obstructions [Non-Hazard APP or DEP]
Culbertson	Big Sky Field	S85	PU	RWY 8/26	Good condition	$109,200	$403,517	Install Weather Reporting Equipment; Acquire Land For Approaches; rehabilitate RWY 08/26.
Cut Bank	Cut Bank International	CTB	PU	RWY 5/23	Excellent condition	$150,000	$4,696,826	Rehabilitate Apron; Install Guidance Signs, Rehabilitate Runway - 13/31, Rehabilitate Runway Lighting - 13/31, Rehabilitate Taxiway; Reconstruct Apron, Rehabilitate Runway - 05/23, Rehabilitate Runway - 14/32,Rehabilitate Taxiway
Deer Lodge	Deer Lodge-City-County	38S	PU	RWY 13/31	Excellent condition	$150,000	$691,062	Update Airport Master Plan Study; Conduct Airport Master Plan Study; Conduct Environmental Study; Acquire Land For Approaches
Dillon	Dillon	DLN	PU	RWY 17/35	Good condition	$150,000	$650,000	Construct Service Road, Construct Taxiway, Rehabilitate Apron, Rehabilitate Runway - 04/22, Rehabilitate Runway - 17/35, Rehabilitate Taxiway; Acquire Snow Removal Equipment, Install Apron Lighting
Ekalaka	Ekalaka	97M	PU	RWY 13/31	Good condition	$142,180	$881,389	Acquire Snow Removal Equipment, Install Guidance Signs, Install Taxiway Lighting, Rehabilitate Runway Lighting - 13/31; Construct Building, Rehabilitate Apron, Rehabilitate Runway - 13/31, Rehabilitate Taxiway
Ennis	Ennis - Big Sky	EKS	PU	RWY 16/34	Good condition	$150,000	$3,602,183	Construct Snow Removal Equipment Building; Rehabilitate Apron, Rehabilitate Taxiway; Acquire Land for Development, Update Airport Master Plan Study; Construct Taxiway, Rehabilitate Apron, Rehabilitate Taxiway; Acquire Land for Development, Install Weather Reporting Equipment; Update Airport Master Plan Study; Acquire Snow Removal Equipment,
Eureka	Eureka	88M	PU	RWY 1/19	Good condition	$150,000	$842,516	Install Airfield Guidance Signs, Rehabilitate Apron, Rehabilitate Runway - Rehabilitate Runway Lighting - Rehabilitate Taxiway, Rehabilitate Taxiway Lighting; Update Airport Master Plan Study; Install Airport Beacons, Install Perimeter Fencing not Required by 49 CFR 1542, Install Taxiway Lighting
Forsyth	Tillitt Field	1S3	PU	RWY 9/27	Fair condition	$101,711	$4,768,305	Install Runway Vertical/Visual Guidance System - Rehabilitate Apron, Rehabilitate Runway - Rehabilitate Taxiway
Fort Benton	Fort Benton	79S	PU	RWY 5/23	Excellent condition	$150,000	$1,450,178	Construct Apron, Construct Taxiway; Rehabilitate Apron, Rehabilitate Runway - 05/23, Rehabilitate Taxiway; Expand Apron, Install Miscellaneous NAVAIDS, Install Runway Lighting - 05/23, Rehabilitate Apron, Rehabilitate Runway - 05/23, Rehabilitate Taxiway; Install Miscellaneous NAVAIDS, Install Perimeter Fencing not Required by 49 CFR 1542
Gardiner	Gardiner	29S	PU	RWY 10/28	Poor condition	$150,000		
Geraldine	Geraldine	5U8	PU	RWY 7/25	Poor condition	$150,000	$32,400	Update Airport Master Plan Study
Glasgow	Wokal Field/Glasgow International	GGW	PU	RWY 12/30	Excellent condition	$150,000	$1,968,700	Rehabilitate Apron, Rehabilitate Runway - 08/26, Rehabilitate Runway - 12/30, Rehabilitate Taxiway; Construct Fuel Farm, Rehabilitate Parking Lot
Glendive	Dawson Community	GDV	PU	RWY 12/30	Fair condition	$150,000	$504,540	Install Miscellaneous NAVAIDS, Rehabilitate Runway Lighting, Rehabilitate Runway Lighting - 12/30, Rehabilitate Taxiway Lighting; Install Runway Vertical/Visual Guidance System - 12/30; Expand Terminal Building, Improve Terminal Building, Install Miscellaneous NAVAIDS
Hamilton	Ravalli County	6S5	PU	RWY 16/34	Good condition	$150,000	$2,495,624	Install Weather Reporting Equipment, Reconstruct Taxiway; Rehabilitate Apron, Rehabilitate Runway - 16/34, Rehabilitate Taxiway; Conduct Environmental Study; Install Airport Beacons, Reconstruct Taxiway
Hardin	Big Horn County	00U	PU	RWY 8/26	Excellent condition	$124,333	$259,573	Construct Fuel Farm
Harlem	Harlem	48S	PU	RWY 11/29	Good condition	$150,000	$448,835	Acquire Snow Removal Equipment, Construct Snow Removal Equipment Building; Rehabilitate Apron, Rehabilitate Runway - 11/29, Rehabilitate Taxiway
Harlowton	Wheatland County at Harlowton	HWQ	PU	RWY 9/27	Good condition	$150,000	$1,831,600	Rehabilitate Apron, Rehabilitate Runway - Rehabilitate Taxiway; Install Airfield Guidance Signs, Install Miscellaneous NAVAIDS, Install Runway Lighting - Rehabilitate Apron, Rehabilitate Runway - 08/26, Rehabilitate Taxiway
Havre	Havre City-County	HVR	PU	RWY 8/26	Excellent condition	$150,000	$6,501,052	Install Miscellaneous NAVAIDS, Rehabilitate Taxiway; Improve Runway Safety Area, rehabilitate Runway , Rehabilitate Runway - Rehabilitate Taxiway; Rehabilitate Apron, Rehabilitate Taxiway; Reconstruct Apron, Rehabilitate Apron, Rehabilitate Taxiway
Jordan	Jordan	JDN	PU	RWY 11/29	Excellent condition	$67,000	$108,000	Rehabilitate Apron, Rehabilitate Runway - 11/29, Rehabilitate Taxiway
Kalispell	Kalispell City	S27	PU	RWY 13/31	Fair condition	$150,000		
Laurel	Laurel Municipal	6S8	PU	RWY 14/32	Fair condition	$150,000	$4,807,346	Acquire Land For Approaches, Acquire Land for Development; Acquire Land for Development, Construct Runway - 14/32; Install Weather Reporting Equipment; Construct Runway - 14/32, Construct Runway - 14/32 NAVAIDS, Install Runway Vertical/Visual Guidance System - 14/32;
Lewistown	Lewistown Municipal	LWT	PU	RWY 8/26	Good condition	$150,000	$3,081,598	Update Airport Master Plan Study; Acquire Snow Removal Equipment, Improve Airport Drainage, Rehabilitate Apron, Rehabilitate Runway - 08/26, Rehabilitate Runway - 13/31, Rehabilitate Taxiway; Acquire Snow Removal Equipment, Modify Building, Modify Snow Removal Equipment Building
Libby	Libby	S59	PU	RWY 15/33	Fair condition	$150,000	$321,808	Install Taxiway Lighting, Remove Obstructions

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City	Airport	LocID	Owner-ship	Primary RWY	RWY Condition	Annual AIP Entitlements	AIP AWARDS FY2014-FY2018	AIP Projects
Lincoln	Lincoln	S69	PU	RWY 4/22	Excellent condition	$131,978	$235,200	Construct Taxiway; Install Perimeter Fencing, Rehabilitate Apron, Rehabilitate Runway - 04/22, Rehabilitate Taxiway
Livingston	Mission Field	LVM	PU	RWY 4/22	Excellent condition	$150,000	$539,300	Acquire Snow Removal Equipment, Construct Snow Removal Equipment Building; Rehabilitate Apron, Rehabilitate Runway - 11/29, Rehabilitate Taxiway; Rehabilitate Apron, Rehabilitate Runway - 04/22, Rehabilitate Taxiway
Malta	Malta	M75	PU	RWY 8/26	Good condition	$150,000	$925,804	Construct Building; Improve Airport Drainage, Rehabilitate Apron, Rehabilitate Runway - 08/26, Rehabilitate Taxiway; Install Weather Reporting Equipment
Miles City	Frank Wiley Field	MLS	PU	RWY 4/22	Excellent condition	$150,000	$4,175,314	Acquire Snow Removal Equipment, Conduct Environmental Study; Install Runway Vertical/Visual Guidance System - 04/22, Rehabilitate Apron, Rehabilitate Runway - 04/22, Rehabilitate Runway - 04/22, Rehabilitate Runway - 12/30, Rehabilitate Runway Lighting - 04/22
Philipsburg	Riddick Field	U05	PU	RWY 16/34	Poor condition	$150,000		
Plains	Plains	S34	PU	RWY 13/31	Excellent condition	$150,000	$133,000	Rehabilitate Apron, Rehabilitate Runway - 13/31, Rehabilitate Taxiway
Plentywood	Sher-Wood	PWD	PU	RWY 12/30	Good condition	$150,000	$950,622	Construct Apron, Construct Fuel Farm;
Polson	Polson	8S1	PU	RWY 18/36	Good condition	$150,000	$1,719,679	Acquire Land for Development; Rehabilitate Apron, Rehabilitate Runway - 18/36, Rehabilitate Taxiway; Acquire Snow Removal Equipment; Reconstruct Apron
Poplar	Poplar Municipal	PO1	PU	RWY 9/27	Good condition	$55,556	$176,788	Rehabilitate Apron, Rehabilitate Runway - 09/27, Rehabilitate Taxiway
Red Lodge	Red Lodge	RED	PU	RWY 16/34	Good condition	$150,000		
Ronan	Ronan	7S0	PU	RWY 7/25	Excellent condition	$150,000	$538,997	Update Airport Master Plan Study; Install Weather Reporting Equipment
Roundup	Roundup	RPX	PU	RWY 7/25	Good condition	$150,000	$481,311	Rehabilitate Runway Lighting - 07/25; Rehabilitate Apron, Rehabilitate Runway - 07/25, Rehabilitate Taxiway
Scobey	Scobey	9S2	PU	RWY 12/30	Good condition	$150,000	$1,715,079	Rehabilitate Runway - 12/30, Rehabilitate Runway Lighting - 12/30; Rehabilitate Apron, Rehabilitate Runway - 12/30, Rehabilitate Taxiway; Rehabilitate Runway - 12/30, Rehabilitate Runway Lighting - 12/30
Shelby	Shelby	SBX	PU	RWY 5/23	Excellent condition	$150,000	$1,241,000	Install Runway Lighting - 05/23, Rehabilitate Apron, Rehabilitate Runway - 05/23, Rehabilitate Runway - 11/29, Rehabilitate Runway Lighting - 05/23, Rehabilitate Taxiway; Construct Building
Sidney	Sidney-Richland Regional	SDY	PU	RWY 1/19	Good condition	$150,000	$3,718,157	Install Runway Vertical/Visual Guidance System - 01/19, Install Runway Vertical/Visual Guidance System - 11/29, Rehabilitate Apron, Rehabilitate Runway - 01/19, Rehabilitate Runway - 11/29, Rehabilitate; Update Airport Master Plan Study; Construct Access Road, Construct Taxiway, Install Airfield Guidance Signs, Install Taxiway Lighting; Acquire Snow Removal
Stanford	Stanford/Biggerstaff Field	S64	PU	RWY 11/29	Good condition	$150,000	$94,500	Install Guidance Signs, Rehabilitate Apron, Rehabilitate Runway - 11/29, Rehabilitate Taxiway
Stevensville	Stevensville	32S	PU	RWY 12/30	Good condition	$150,000	$2,486,176	Install Taxiway Lighting, Reconstruct Apron, Reconstruct Taxiway; Construct Taxiway, Install Weather Reporting Equipment, Rehabilitate Runway - 12/30, Rehabilitate Runway Lighting - 12/30, Remove; Conduct Environmental Study, Construct Taxiway, Install Guidance Signs, Install Miscellaneous NAVAIDS, Install Weather Reporting Equipment, Rehabilitate Runway
Superior	Mineral County	9S4	PU	RWY 12/30	Good condition	$140,000	$117,341	Rehabilitate Apron, Rehabilitate Runway - 12/30, Rehabilitate Taxiway
Terry	Terry	8U6	PU	RWY 8/26	Excellent condition	$138,200	$250,940	Rehabilitate Apron, Rehabilitate Runway - 08/26, Rehabilitate Taxiway; Rehabilitate Runway - 08/26, Rehabilitate Runway Lighting - 08/26; Rehabilitate Taxiway; Construct Access Road, Construct Taxiway; Update Airport Master Plan Study Rehabilitate Apron, Rehabilitate Taxiway, Rehabilitate
Thompson Falls	Thompson Falls	THM	PU	RWY 8/26	Excellent condition	$150,000	$344,021	Construct Fuel Farm, Install Runway Vertical/Visual Guidance System - 08/26
Three Forks	Three Forks	9S5	PU	RWY 3/21	Good condition	$150,000	$1,222,098	Construct Taxiway, Install Miscellaneous NAVAIDS, Remove Obstructions; Conduct Environmental Study; Install Runway Vertical/Visual Guidance System, Rehabilitate Runway , Rehabilitate Runway Lighting - 02/20; Install Miscellaneous NAVAIDS, Install Runway Vertical/Visual Guidance System, Rehabilitate Apron, Rehabilitate Runway; Rehabilitate Runway
Townsend	Townsend	8U8	PU	RWY 17/35	Not Reported	$25,307	$125,100	Rehabilitate Apron, Rehabilitate Runway - 16/34, Rehabilitate Taxiway
Turner	Turner	9U0	PU	RWY 7/25	Good condition	$150,000	$144,450	Construct Taxiway, Rehabilitate Apron, Rehabilitate Runway - 07/25, Rehabilitate Taxiway
Twin Bridges	Twin Bridges	7S1	PU	RWY 17/35	Good condition	$150,000	$4,835,984	Construct Access Road, Construct Taxiway [Taxiway D], Expand Apron, Install Perimeter Fencing not Required by 49 CFR 1542, Rehabilitate Runway - 17/35, Widen Taxiway [Taxiway A]; Expand Apron, Extend Runway - 17/35, Extend Taxiway, Install Airfield Guidance Signs, Install Miscellaneous NAVAIDS, Install Runway Vertical/Visual Guidance System - 17/35,
Valier	Valier	7S7	PU	RWY 7/25	Turf/good condition	$150,000		
White Sulphur Springs	White Sulphur Springs	7S6	PU	RWY 1/19	Good condition	$150,000	$329,536	Rehabilitate Apron, Rehabilitate Runway - 01/19, Rehabilitate Taxiway; Install Airfield Guidance Signs, Install Weather Reporting Equipment
Winifred	Winifred	9S7	PU	RWY 8/26	Fair condition	$150,000		
Wolf Point	L M Clayton	OLF	PU	RWY 11/29	Good condition	$150,000	$1,178,880	Rehabilitate Apron, Rehabilitate Runway - 11/29, Rehabilitate Taxiway; Improve Airport Drainage, Improve Airport Drainage, Install Airport Beacons, Install Airport Beacons, Install Miscellaneous NAVAIDS, Install Miscellaneous NAVAIDS; Construct Building, Install Runway Vertical/Visual Guidance System - 11/29; Construct Building, Install Runway Vertical/Visual
STATE OF MONTANA							$525,291	Update State System Plan Study; Conduct State System Plan Study; Conduct State System Plan Study
Proposed Airport	Unnamed						$400,000	Conduct Environmental Study, Construct Snow Removal Equipment Building; Construct Snow Removal Equipment Building
TOTAL FUNDING						**$8,898,025**	**$78,150,267**	

Main RWY Pavement Condition		As a Percent Reported
Excellent	22	35%
Good	28	44%
Fair	7	11%
Poor	4	6%
No Report	1	2%
Turf	1	2%

79%

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REPRESENTATIVE SAMPLES OF GENERAL AVIATION AIRPORT HANGER GROUND LEASE RATES AND FUEL FLOWAGE FEES IN MONTANA: 2017

Fuel Flowage Fees:

A fuel flowage fee is a tax assessed on the user, which is paid at the pump. Fuel flowage fee revenues are sent to the airport governing body, usually the board or authority and are then put into airport coffers for airport improvements or other expenses. The fuel flowage fee is actually an airport user fee and is the commonly accepted and fair way to raise airport revenues without placing the entire burden on local airport tenants since revenue is provided by transient aircraft using the airport. The typical fuel flowage fee for small Montana airports is 5¢/gal. Many times, an airport will place a greater fuel flowage fee on jet fuel since this will shift even more of the cost burden to the more expensive, fuel consuming transient aircraft which place more wear and tear on the airport.

Hangar Ground Lease Rates:

Hangar ground lease rates are the lease rates that an airport charges for the ground on which private or commercial hangars are built. Since many airports around the state have very few tenants, they have no set rate and will convene the airport board to determine one when an offer to build something on airport property is made. Some airports will have a different rate for commercial versus private hangar space rates since most commercial operators use apron space in the conduct of their daily commercial operations. Some airports will lease apron space to commercial operators for a smaller fee than the hangar ground lease rate. Many airports around the state do not charge anything for the hangar lease rates as a way of promoting aviation on the airport, in these cases, usually a $1.00/yr lease is drawn up. Airports vary widely around the state in their hangar ground lease rates and sometimes have many different stipulations associated with them, as an example, an airport might have rules about how long lease rates are, how often the price may be raised and how often an option to renew will be available. A 20 year hangar ground lease with an option to renew is usually the most common type of hangar ground lease and is often the type required by lending institutions. The ideal hangar ground lease rate is one that generates the needed revenue for the airport but does not create such a cost burden that users will not build hangars.

Other Notes:

Fuel flowage fees and hangar ground lease rates are generally higher at large commercial service, certificated airports. The differences in rates and charges between big commercial airports and small general aviation airports is because large airports provide many more airport services than small airports, such as; 24 hour security, a 24 hour terminal, instrument landing systems, expansive lighting and crash fire rescue services. Even though large airports can receive funding through avenues not usually available to small general aviation airports, much of the operating revenue needed by large airports is still highly dependent on airport user fees.
It should also be mentioned that the benefits created through tax revenue generated by an airport help not only the airport, but also the surrounding communities. This is because counties and cities receive considerable tax benefits from an airport through taxes on hangars and based aircraft.

2017 Rates and Charges for Various General Aviation Montana Airports

Airport	Fuel Flow Fee	Hanger Ground Lease cost per year	Other Fees or Notes
Anaconda	None	Private - $0.08 sq/ft/year Commercial - Negotiated	None
Ashland*	None	None	None
Baker	$.10/gal	$50.00/year Community Heated Hangar $35-$300/night Community Cold Hangar $125/ month single $300/month multi	$250.00 Aerial Applicator lease/year 100LL / JET A, Self Service - 24hr.
Big Timber	$.03/gal	Private - $.10 sq/ft/year Commercial - $.15 sq/ft/year	None
Boulder	None	None	None
Bridger*	None	$.105 sq/ft/year for hangar & apron	None
Broadus*	None	None	100LL / JET A, Self Service - 24hr.
Browning	None	None	None
Canyon Ferry*	None	None	None
Chester*	None	T-Hangar - $250/Year Commercial - $.05 sq/ft/year	100 LL on-call

*Indicates airport did not report in 2017 and data is at least 1 year old or more.
**Indicates airport has not responded to report in over 2 years.

2017 Rates and Charges for Various General Aviation Montana Airports

Airport	Fuel Flow Fee	Hanger Ground Lease cost per year	Other Fees or Notes
Chinook*	$.10/gal	$100 / year	100LL, Self Service - 24hr.
Choteau*	$.04/gal	Hangar $.04 sq/ft/year	100LL, Self Service JET A, Full Service
Circle	None	T-Hangar - $60/month, $600/year Large Hangar - $100/month	100LL Full Service
Colstrip	None	$100 / year	None
Columbus*	$.04/gal	Private - $.08 sq/ft/year Commercial - $.12 sq/ft/year	100LL, Self Service - 24 hour
Conrad*	None	None	100LL under padlock
Culbertson	None	None	100LL, Self Service
Cut Bank	None	Private - $.10 sq/ft/year Commercial - $.10 sq/ft/year	100LL / Jet A, Self Service - 24hr.
Deer Lodge	$.05/gal	Private - $.04 sq/ft/year Commercial - $.04 sq/ft/year	100LL, Self Service JET A, Full Service
Dell	None	$.10 sq/ft/year	None

*Indicates airport did not report in 2017 and data is at least 1 year old or more.
**Indicates airport has not responded to report in over 2 years.

2017 Rates and Charges for Various General Aviation Montana Airports

Airport	Fuel Flow Fee	Hanger Ground Lease cost per year	Other Fees or Notes
Dutton*	None	$.07 sq/ft/year T-Hangar - $50/month	None
Ekalaka	None	T-Hangar single - $100/month T-Hangar Twin - $150/month	100LL, Self Service
Ennis	$.04/gal	$.04 sq/ft/year	100LL Self and Full Service - 24hr. JET A, Full Service
Fairfield*	None	Private - $.04 sq/ft/year County Owned Hangar - $40/month	None
Fairview	None	$0.18 sq/ft/year	None
Forsyth	None	Private - $100 / year Commercial - $150/month T – Hangar $720/year	
Fort Benton*	None	$80/month old hangars $150/month new hangars	100LL, Self Service - 24hr.
Gardiner*	$.05/gal	None	None
Hardin	None	Small Hangar - $200/month Large Hangar - $300/month	None

*Indicates airport did not report in 2017 and data is at least 1 year old or more.
**Indicates airport has not responded to report in over 2 years.

2017 Rates and Charges for Various General Aviation Montana Airports

Airport	Fuel Flow Fee	Hanger Ground Lease cost per year	Other Fees or Notes
Harlem*	None	100 year / TBD	None
Harlowton*	None	None $15.00/night	None
Hot Springs	None	Private - $.08 sq/ft/year Commercial - $.16sq/ft/year	None
Hysham*	None	None	None
Jordan*	None	None	None
Kalispell City	None	None	100LL, Self Service - 24hr. 100LL / JET A, Full Service 0800-1700
Laurel	$.05/gal	Private - $.14 sq/ft/year Commercial - $.10 sq/ft/year Apron/Ramp - $.03 sq/ft/year	100 LL / JET A, Full Service / Self - 24hr
Lavina	None	None	None
Lewistown	$.05/gal	Land - $.1072-$.16 sq/ft/year Commercial $0.1046 ft ground Commercial $.144 ft building T-Hangar - $82.79/month Big Hangar - $55 Single, $75Light Twin Heated/Semi-private - $200/month	100LL Self Service - 24hr. JET A, Full Service

*Indicates airport did not report in 2017 and data is at least 1 year old or more.
**Indicates airport has not responded to report in over 2 years.

2017 Rates and Charges for Various General Aviation Montana Airports

Airport	Fuel Flow Fee	Hanger Ground Lease cost per year	Other Fees or Notes
Libby*	None	$.05 sq/ft/year	100LL / JET A, Self Service - 24 hr. Courtesy Car Available
Lincoln	None	$.10 sq/ft/year	None
Livingston*	$.05/gal	Commercial Hangars - $.17 sq/ft/year T-Hangar - $103/month	100 LL / JET A, Full Service 0800-1700
Malta	$.10/gal	Private - $.10 sq/ft/year Commercial - $.02 sq/ft/year Mid-size T-Hangar - $100/month Large T-Hangar - $150/month	100LL / JET A, Self Service - 24hr.
Miles City	$.07/gal (If aircraft owner fuels their own aircraft)	Private - $.10 sq/ft/year Community Hanger - $106/month Community Heated - $219/month Community Twin - $170 T-Hangar - $123/month T-Hangar Heated - $266/month Terminal - $1,000/month	100LL Self and Full Service - 24hr. JET A, Full Service
Opheim*	None	None	None
Philipsburg	None	Hangar - $120/month Hangar (electricity) - $240/month	None

*Indicates airport did not report in 2017 and data is at least 1 year old or more.
**Indicates airport has not responded to report in over 2 years.

2017 Rates and Charges for Various General Aviation Montana Airports

Airport	Fuel Flow Fee	Hanger Ground Lease cost per year	Other Fees or Notes
Plains	None	Private - $.08 sq/ft/year Commercial - $.16 sq/ft/year	None
Plentywood*	None	Private - $.08 sq/ft/year Commercial - $.10 sq/ft/year	100LL, Self Service - 24hr.
Polson*	None	$.15-$.20 sq/ft/year	100LL / JET A, Self Service - 24hr.
Red Lodge*	None	$.10 sq/ft/year + $20 plowing fee/year	100LL, Full Service
Richey	None	$.10 sq/ft/year	None
Ronan*	$.08/gal	$.14 sq/ft/year	100LL / JET A, Self Service - 24hr.
Roundup*	$.05/gal	Private - $.025 sq/ft/year Commercial - $.05 sq/ft/year	100LL / JET A, Self Service - 24hr.
Scobey	None	Private Ground Lot - $100/year Commercial Ground Lot - $100/year	100LL / JET A, Self Service - 24hr.
Seeley lake	None	$.10 sq/ft/year $290 / year off field access private $580 / year off field access commercial	Free Pilot Campground Free use of bicycles
Shelby*	None	Varies, T-Hanger $60/month FAA Hangers $134-205/month	JET A, Full Service 100LL / JET A, Self Service - 24hr.

*Indicates airport did not report in 2017 and data is at least 1 year old or more.
**Indicates airport has not responded to report in over 2 years.

2017 Rates and Charges for Various General Aviation Montana Airports

Airport	Fuel Flow Fee	Hanger Ground Lease cost per year	Other Fees or Notes
Stanford*	None	Private - $.10 sq/ft/year T-Hangar - $200/month	None
Stevensville	$.05/gal	Hanger ground - $.065 sq/ft/year T-Hanger$150.00-$300.00/month	100LL, Self Service - 24hr. Tie downs: Single - $3.00/day $15.00/month Multi - $5.00/day $25.00/month
St. Ignatius	$.05/gal	$.14 sq/ft/year	100LL, Self Service - 24hr.
Superior	None	Private - $.10 sq/ft/year 40 X 30 hangar - $175/month	100LL, Self Service - 24hr.
Terry*	None	None	None
Thompson Falls	None	$.08 sq/ft/year	100LL, Self Service - 24hr.
Turner*	$.10	Hangar Ground Lot - $100/year	100LL, Self Service - 24hr.
Townsend*	None	$.11 sq/ft/year	100LL, Self Service - 24hr.
Twin Bridges*	$.04/gal	$.04 sq/ft/year	100 LL / JET A, Full Service / Self - 24hr
Winnett*	None	None	None

*Indicates airport did not report in 2017 and data is at least 1 year old or more.
**Indicates airport has not responded to report in over 2 years.

2017 Rates and Charges for Various General Aviation Montana Airports

Airport	Fuel Flow Fee	Hanger Ground Lease cost per year	Other Fees or Notes

For further information, additions or corrections please contact:

Montana Aeronautics Division Attn: Jeff Kadlec, jkadlec@mt.gov
P.O. Box 200507 Helena, MT. 59620-0507 Phone: (406) 459-9825 Fax (406) 444-2519

*Indicates airport did not report in 2017 and data is at least 1 year old or more.
**Indicates airport has not responded to report in over 2 years.

EXHIBIT 13
DATE March 20th 2019
HB 661

Airlines for America
We Connect the World

The Honorable Denley M. Loge
1301 East 6th Avenue
State of Montana State Capitol
Room 455
Helena, MT 59620-0801

March 20, 2019

Dear Chairman Loge and Members of the Transportation Committee:

We write to respectfully oppose HB 661, which could have the unintended consequence of either driving up the cost of air travel for passengers flying in and out of Montana or reducing air service, neither of which would be good for Montana's travel and tourism industry. HB 661 would eliminate the current refunding mechanism for a portion of taxes paid on aviation fuel purchased by airlines in Montana and substantially raise the excise tax on that fuel, resulting in a significant tax increase on air carriers, passengers, and shippers traveling in and out of Montana.

Statistics show that that during difficult financial times for the airline industry from 2005-2011, Montana saw the number of scheduled seats substantially decline by 26%. But, as financial conditions improved over the last seven years, the supply of scheduled seats grew by 33%. The number of scheduled seats departing Bozeman, Billings, Kalispell, Missoula and West Yellowstone were higher than they were in 2005. It is clear that a strong, healthy commercial airline industry is critical to the success of travel and tourism in Montana. As you can imagine, airlines get a seemingly unlimited number of requests every year from airports to provide service on new or expanded routes. The cost associated with providing service in every market are analyzed very closely, including the current and potential tax burden. Why unnecessarily put opportunities to expand – or retain – service at risk?

As the second largest industry expense behind labor, airlines are sensitive to aviation fuel prices and aviation fuel taxes. Lower costs and a favorable tax environment help the bottom line and enable airlines to keep fares affordable, grow air service, and create jobs. For example, North Carolina eliminated its state aviation fuel tax at the start of 2016 and air service growth accelerated as a result. From 2013 through 2015, flight departures actually shrank 5 percent while seat growth was flat. By contrast, after the tax repeal, annual flight departures grew 3.2 percent while seats grew 7.4 percent from 2015 to 2018.

Airlines for America members include: Alaska Airlines, Inc., American Airlines, Inc., Atlas Air, Inc., Federal Express Corp., Hawaiian Airlines, JetBlue Airways Corp., Southwest Airlines Co., United Continental Holdings, Inc., and UPS Airlines; Air Canada is an associate member.

Pro-growth states seeking to increase opportunities to retain and expand air service and keep passenger costs low are going in the opposite direction of what HB 661 propose to do. In addition to North Carolina joining Texas and other states in eliminating their tax on aviation fuel, Georgia and Florida have in recent years reduced their taxes and are close to a zero tax. These states recognize that a healthy commercial aviation system does not need a aviation fuel tax at all in order to function smoothly, and that commercial airline passengers – many of whom are your constituents - should not be subsidizing general aviation airports through increased aviation fuel taxes. Some examples of where airlines are making substantial investments in Montana airports include:

- Bozeman is starting $30 million expansion this spring and a $20 million baggage project next summer once the first project is complete.

- In the next few years Glacier Park will start a $4 million apron project as an enabling project for the larger terminal expansion project. That $61 million terminal expansion will happen over the next 3 years or so.

- In Billings $57 million in new concourse facilities will meet the estimated demand for next 15-20 years and will expand number of jet bridges from 5 to 8.

- Missoula will complete a $111 million rebuild of facility and expansion of gates.

- Helena will complete an $11 million terminal expansion and new concessions and expanded TSA checkpoint.

Passengers want lower taxes and more options. We would encourage you to support an expanded travel and tourism economy by opposing HB 661.

EXHIBIT 14
DATE March 20th 2019
HB 661

ABS LEGAL
ATTORNEYS AT LAW

ABS Legal, PLLC
One South Montana Avenue, Suite L-9
Post Office Box 866
Helena, Montana 59624

www.abslegal.net

Mark Baker
markbaker@abslegal.net
Office: (406) 449-3118
Mobile: (406) 459-2160

Testimony Delivered on March 20, 2019 to the House Transportation Committee in Montana

My name is Mark Baker, here today representing Delta Air Lines the nearly 200 Delta Air Line and Delta Connection employees and their families in Montana, we ask that you oppose HB 661 which would result in a 700% increase in the tax on commercial jet fuel in Montana and move Montana into the top rank of states in the country for effective jet fuel tax rates.

In the last year, oil prices have risen dramatically, driving a $2 Billion increase in fuel costs for Delta alone year-over-year. Given the challenging fuel environment, and HB 661 could have a significant impact on Montana's competitive position for air service as the price of fuel increases in the future. This summer, Delta will serve 8 markets on 48 peak day flights this summer to and from Montana, carrying over 1.8 Million passengers in and out of the State annually. Since 2011 we have grown our service dramatically in Montana, adding over 480,000 seats, or a capacity increase of 31%. Delta is proud of its historic and current role as Montana's leading air carrier, and look forward to continuing to find opportunities to expand service into the Big Sky state.

Fuel is the largest operational cost input for Delta, a major part of our business, and while we work actively to manage the risk it poses, the price is ultimately outside of our control.

Supporting airport infrastructure where we operate has always been a priority for Delta. Through landing fees, rental rates, PFCs and other charges, Delta pays millions annually to operate, maintain and invest in the airport facilities in Montana. We believe the proposed fuel tax increase is not necessary, as other funding mechanisms exist for airport infrastructure projects and can be accessed accordingly by the users of those facilities, similar to the way commercial airlines are doing today.

Delta understands the critical need to invest in infrastructure where we operate, and we believe we do that through the current taxes and fees we pay in Montana, as well as federal excise taxes that fund airport development in Montana. We respectfully ask the Montana legislature to reject HB 661.

66th LEGISLATURE
2019 SESSION

Additional Documents

Business Page

Roll Call

Standing Committee Reports

Table Bills

Fiscal reports

Tabled Bills

Roll Call Votes

Proxies

Witness Statements

Informational items

Visitor Registrations

Any Document or material presented after the meeting for example@ petitions, news clippings ectara.

These documents prepared, proofed and scanned by Susie Hamilton E-Document Specialist for Senate and House for the 66th LEGISLATURE 2019 SESSION. Room 402 Capitol Hill Station, Helena Montana

BUSINESS REPORT

MONTANA HOUSE OF REPRESENTATIVES
66th LEGISLATURE - REGULAR SESSION

HOUSE TRANSPORTATION COMMITTEE

Date: Wednesday, March 20, 2019 **Time:** 3:00 PM
Place: Capitol **Room:** 455

BILLS and RESOLUTIONS HEARD:

HB 661 - Revise aviation fuel taxation - Rep. Geraldine Custer (R)
SB 228 - Authorize joint resident and non-resident vehicle ownership - Sen. Brian Hoven (R)

EXECUTIVE ACTION TAKEN: None

Comments:

Rep. Denley M. Loge, Chair

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

TRANSPORTATION COMMITTEE

ROLL CALL

DATE March 20th 2019

NAME	PRESENT	ABSENT/EXCUSED
REP. GARNER, VICE CHAIR		✓
REP. SMITH, VICE CHAIR	✓	
REP. DOOLING		✓
REP. FERN		✓
REP. FLEMING	✓	
REP. HARVEY	✓	
REP. GARCIA	✓	
REP. GREEF	✓	
REP. KROTKOV	✓	
REP. KRAUTTER	✓	✓
REP. PERRY	✓	
REP. KASSMIER	✓	
REP. SWEENEY	✓	
CHAIR LOGE	✓	

14 MEMBERS

MONTANA House of Representatives
Visitors Register
HOUSE TRANSPORTATION COMMITTEE

Wednesday, March 20, 2019
HB 661 - Revise aviation fuel taxation
Sponsor: **Rep. Geraldine Custer (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Todd Devlin	Prairie County	X		
Scott Humphrey	Gallatin Airport Auth		X	
Sean Williams	Airlines for America		X	
Marilyn Short	XCMT		X	
Robin Hoover	Yellowstone County MT		X	
Brian Ellestad	Missoula Airport		X	
John Faulkner	Great Falls Airport		X	
Jeff Wedekamper	Helena Airport		X	
Ross Marty	Helena Airport		X	
[illegible]	Miles City Airport	✓		
[illegible]	Havre	✓		
Mark Baker	Delta		X	
Shane Scanlan	Kalispell Chamber		X	
Barry Holzworth	Sidney Air Service Inc.	X		
John Maxness	Self		X	
Bridger Mahlum	MT Chamber Commerce		X	
Ed Barthett	Billings & Bozeman Chambers		X	
Bob Stevy	Montana		X	
Rob Buckles	Kids (Education)	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE TRANSPORTATION COMMITTEE

Wednesday, March 20, 2019
HB 661 - Revise aviation fuel taxation
Sponsor: **Rep. Geraldine Custer (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Perry Zachariasen	Bozeman Chamber		X	
Kathie Bailey	Snowy Mtn. Dev. Corp.	X		
Spook Stang	MCM		X	
Todd Devlin	Prairie County	X		
STEVE BROWN	KLJ	X		
Holly Phelps	City of Lewistown	X		
William Hord	Hecla Hill County Airport	X		
KEVIN MYHRE	CENTURY CO. INC.	X		
Kodi Myhre	citizen	X		
JON HUDSON	CITIZEN			
Registering for	citizen	X		
Pete Smith	Montana Pilots Asso.	X		
DONALD E AMERICH	Montana Pilots Assoc	X		
TIM CONWAY	MDT AERONAUTICS			X
John McKenna	Montana Pilots	X		
TRICIA McKenna	MDT Aeronautics	X		
Bob Gilbert	MATA		X	
Charlotte Lauerman	MT Lodging + Hospitality	X	X	
Scott Newpower	MPA + RAF	X		
David Smith	MT Contractors	X		
Shane Gorder	Richland County	X		
Ron Hooper	Neptune Aviation		X	
WALTER L MCADAM	SELF			

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE TRANSPORTATION COMMITTEE

Wednesday, March 20, 2019
SB 228 - Authorize joint resident and non-resident vehicle ownership
Sponsor: **Sen. Brian Hoven (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Scott Meredith	Deer Creek Corporate Svc	X		
Michael Willing	Deer Creek Corp - Services	X		
Roy Andes	" " " "	X		
Bruce Knudsen	MTADA		X	
Jim Stanger	MTADA - Helena Motors		X	
Ron Hooper	Neptune Aviation		X	
Jeramy Rica	MVD		X	
Sky Schaefer	MVD		X	
Joann Loehr	MVD		X	
Kim Gaukler	MVD Treas.		X	
Sandy Christensen	MT Co Treas.		X	
Terri Kunz	Jefferson Treas		X	
Betty Romo	Mt Co Treasurer		X	
Dan Whitesitt	MT Co Treasurer		X	
Rocky Heralson	MT CO Treasurers		X	
Jennifer Blossom	Gallatin Co. Treas		X	

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

WITNESS STATEMENT

Mr. Chair and Members of the House Transportation Committee
Thank You for the opportunity to testify today.

My name is Kevin Myhre. I am the Director of Business Development for Century Companies, based in Lewistown. We are a civil construction contractor and we work in several states. We typically employ 150 employees each year.

Our company owns two aircraft and we purchase between 8000 and 10,000 gallons of aviation fuel each year. We utilize all of the large airports in Montana as well as many of the smaller airports and we don't receive a rebate on the aviation fuel taxes we pay. We support increasing the fuel tax for the purposes outlined in House Bill 661.

In addition, our company also utilizes Montana's airlines to move our crews to worksites outside of Montana. Annually, Century Companies spends over $200,000 for airline tickets. We know that the increase in the fuel tax will increase the cost to the airlines approximately **1 dollar** for each ticket. We are willing to pay that cost.

The costs of maintaining Airports to the level required by the FAA is high. The hard infrastructure is more expensive by unit for the smaller airports than the large ones. Asphalt and Concrete are produced in bulk daily during the construction season in all of the major cities. Almost every large city has civil contractors who are located there and will bid that infrastructure work and can pair it with other work in the area. Their parts, supplies, and materials are readily available.

In contrast, most of the time in small communities, a gravel crusher and an asphalt plant must be brought in to make the materials specifically for the airport project. Small ready-mix operations don't typically have mix designs to meet the FAA specifications and so their costs increase greatly to provide the concrete. Most parts, supplies, and materials must be brought from the larger cities. The costs of those logistics increase the cost of the projects.

Today you will hear from the Airlines and the large communities that have contracts with those airlines. They will say they don't want an increased fuel tax and they don't want to give up their rebate. They have made their deals locally, and they have structured it to benefit themselves. I know they have struggles but most of those deal with growth and time constraints to accomplish improvements.

Compare the condition of the aviation infrastructure in our small and large communities and you will see a vast difference. Public Infrastructure is maintained with taxes on all of our airports. We are extremely lucky that the FAA usually provides 90% of those funds. Rural airports have little or no opportunity to negotiate alternative funding sources. To give one industry and community a pass from contributing is a recipe for failure. The airline industry in Montana does not base their rates on the cost of fuel or taxes, they charge what the market will bear and they can do it on a monthly, weekly, and daily basis.

Please vote yes on HB 661.

Kevin Myhre, Century Companies, Inc. Lewistown, MT 406-535-1330 kevin.myhre@centuryci.com

ADDITIONAL DOCUMENTS

NEPTUNE AVIATION SERVICES

Missoula Intl. Airport | 2 Corporate Way, Missoula, MT 59808
Tel 406.542.0606 | www.NeptuneAviation.com

March19, 2019

To: Members of the House Transportation Committee

From: Neptune Aviation Services

RE: Oppose HB 661 as written – Raising aviation fuel tax on Montana aviation companies will discourage growth, increase costs, increase prices passed on to the consumer, and discourage new aviation businesses from locating to Montana.

Neptune Aviation Services (Neptune) is the largest airtanker company in the United States. We have provided aerial firefighting support to the various Federal and State wildland firefighting agencies for 25 years. In providing this support, there is extensive pilot training and maintenance flights that occur with the nine large airtankers currently operated by Neptune. Fuel burned during these efforts would be assessed the new 14 cent tax. The potential financial impact to Neptune is significant.

In addition to the airtanker operation, Neptune also operates a Flight School, a Charter Department for use by the general public and a Fixed Base Operation providing fuel to airlines. Applying the 14 cent tax to fuel consumed in these operations will necessitate passing on an increase in prices to customers. The increase could potentially out price the budgets of flight school students, discourage the use of Neptune's Charter Department by Montana businesses and the general public, and potentially cause airliners to take smaller fuel loads. Thus, denying Montana growth in general aviation, critical air services and fuel sales.

Neptune also operates a General Aviation Maintenance department. A 14 cent increase in aviation fuel tax may cause businesses and the general public to reduce the amount of usage of aviation in Montana resulting in a significant economic impact. In addition it will discourage new businesses from locating to Montana.

Finally, Neptune operates a non-scheduled charter flight from Missoula to Billings twice a week. Banks, hospitals, the University, construction firms, architectural firms, and many other businesses located in Missoula and Billing frequently take advantage of this service. An increase in aviation fuel tax to 14 cents per gallon will have significant impact on the price to users of this service.

I ask that you oppose HB 661 (and HB 81) and prevent this increase in aviation fuel taxes, which will have significant adverse impact on Neptune Aviation Services, potential economic growth, and the economy in Missoula and Montana.

Respectfully,

Ronald E Hooper
Chief Executive Officer
Neptune Aviation Services

Yellowstone Country MONTANA

ADDITIONAL DOCUMENTS

313 W. Mendenhall St. | P.O. Box 3048 | Bozeman, MT 59772

Dear Chairman & Members of the Committee:

Yellowstone Country Montana YCMI) is one of the six designated tourism regions in the state. Our sole purpose is to promote this region to non-resident travelers as a premier leisure destination. YCMI has worked tirelessly with community partners over the past seven years to recruit airlines and provide financial backstops for expanded air service to our state. We believe it is a direct result of this partnership that Bozeman Yellowstone International Airport has seen passenger traffic increase 52% over the past five years. This increased visitation has significant economic impact in all communities throughout the area. According to 2017 non-resident data provided by Montana's Institute for Tourism & Recreation (ITRR), expenditures by non-residents was over $917,000,000.00 in the Yellowstone Country region alone. This means every non-resident visitor lost to this legislation represents a loss of $1,986.00 dollars in direct and indirect spending. To quote ITRR's **2018 Economic Review of the Travel Industry in Montana** report: "The high correlation between the increase in non-resident visitors and the number of direct flights is not a coincidence."

HB 661 proposes to increase aviation fuel tax from 4 cents per gallon to 14 cents per gallon in order to fund Montana's Department of Aeronautics, including the department's loan and grants program. The premise of HB 661 is that Montana's non-primary/general aviation airports are in disrepair, short of funding and leaving federal dollars on the table. However, over the past five years, these airports have in fact been awarded over $78,000,000.00 in federal funding for infrastructure through the Airport Improvement Program (AIP). While 14 cents p/g may sound insignificant, it represents $975,000.00 in costs to the airlines and $521,000.00 in costs to the general aviation community at the Bozeman Airport alone. This bill changes the economics for airlines serving this state. Airlines make route decisions based on profitability; additional costs upset that equation, forcing airlines to reevaluate marginal flights, reconsider adding seats during shoulder seasons and significantly increases revenue guarantees a community must commit in order to secure new service.

While YCMI is sympathetic to the needs of rural airports, this organization and our partners in regional communities have worked very hard over the years to recruit air service. LC 1526 puts these efforts at risk. Seventy-eight million dollars in federal funding over the past five years is not inconsequential. It begs the question: Why must airlines be taxed to make up any shortfall when they will receive no benefit from their contribution?

We urge you vote against LC 1526-HB 661 or any variant of this legislation that makes its way into the House.

Sincerely

Robin Hoover
Executive Director
Yellowstone Country Montana, Inc.

AOPA
your freedom to *fly*

ADDITIONAL DOCUMENTS

March 18, 2019

Representative Denley Loge
Chair, House Transportation Committee
Montana House of Representatives
State Capitol
P.O. Box 200400
Helena, MT 59620

Subject: HB 661 – An act revising aeronautics funding laws; increasing the aviation fuel tax; repealing the aviation fuel tax refund for scheduled airlines; revising the distribution of aviation fuel taxes; revising the distribution of aircraft registration fees.

Dear Chair Loge and House Transportation Committee Members.

I am Warren Hendrickson, NW Mountain Regional Manager for the Aircraft Owners and Pilots Association (AOPA), the world's largest general aviation organization. I serve as the direct representative for over 2,100 AOPA members in Montana.

AOPA and its 2,100 Montana members strongly support HB 661.

Montana aviation generates $2.8 billion in total economic activity while supporting over 24,000 jobs, yet the state of Montana provides the lowest level of airport grant funding – by a very wide margin – among the seven states within the NW Mountain Region. Over the last 5 years (FY16-FY20), Montana airports have requested $6,968,000 in assistance, but the state's grant fund has only met $1,342,500 of that need, an 80% deficiency. The Federal Aviation Administration (FAA) has over $43 million available for airport development in Montana, however a local match of 10% is required to receive that funding. Montana is therefore leaving tens of millions of dollars of federal money on the table due to deficient local funding. In addition, the existing level of Aeronautics Division operations funding is insufficient to support the Division's current and future programs.

Enactment of HB 661 will accomplish the following:

- Increase the aviation fuel tax from four cents per gallon to fourteen cents per gallon.
- Redirect a two cents per gallon rebate from passenger-carrying airlines to the Airport Grant Program.
- Redirect the Pavement Preservation fund that serves only primary airports to Aeronautics programs.

- Change the distribution of aircraft registration fees from 90% to the General Fund and 10% to Aeronautics to 30% to the General Fund and 70% to Aeronautics to further support Aeronautics programs.

Together these actions will provide an additional $3.6 million to the state's Airport Grant Program – thirteen times the existing funding level – an additional $1.68 million to meet aviation education needs, and an additional $478,000 to fully meet Aeronautics operations funding needs.

This increase in state grant funding level could potentially bring – based on federal Airport Improvement Program funding formulas – an additional $35 million of federal money into Montana. Such a funding increase will not only allow the completion of critically needed airport projects throughout the state, it will also add approximately 300 full-time family wage jobs to Montana.

There will be strong opposition reluctance in some quarters to any increase in taxes, particularly from the scheduled airlines and the commercial service airports; however, the impact of this legislation on those entities will be insignificant: less than $.65 per passenger enplanement. Further, this increased fuel tax is not one imposed on the general population but only on the users of Montana's aviation system. As the future direct beneficiaries of the revenues generated by this increased fuel tax, AOPA and its members fully embrace this concept. Montana's airports require increased support and we are willing to personally fund it via our fuel purchases.

Given the acknowledged funding shortfalls of Montana's Airport Grant Program and the Aeronautics Division operations account as well as non-existent current funding of state aviation education programs, the bill before you will significantly close the funding gap and provide much needed funding for airport improvements, aviation education, and Aeronautics operations.

For these reasons, AOPA supports HB 661. Thank you.

Sincerely,

Warren Hendrickson

Warren Hendrickson
NW Mountain Regional Manager

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: Chair Carl Glimm, on March 28, 2019 at 3:30 P.M., in Room 102 Capitol

ROLL CALL

Members Present:

Rep. Carl Glimm, Chair (R)
Rep. Nancy Ballance, Chair (R)
Rep. Dan Bartel, Vice Chair (R)
Rep. Ryan Lynch, Vice Chair (D)
Rep. David Bedey (R)
Rep. Mary Caferro (D)
Rep. Jim Hamilton (D)
Rep. Kenneth L. Holmlund (R)
Rep. Jim Keane (D)
Rep. Rae Peppers (D)
Rep. Joe Read (R)
Rep. Marilyn Ryan (D)

Members Excused:

Rep. Llew Jones, Vice Chair (R)
Rep. Tom Burnett (R)
Rep. Kimberly Dudik (D)
Rep. Bradley Hamlett (D)
Rep. Mike Hopkins (R)
Rep. Bill Mercer (R)
Rep. Frederick (Eric) Moore (R)
Rep. Matt Regier (R)
Rep. Jonathan Windy Boy (D)
Rep. Tom Woods (D)

Members Absent: None

Staff Present: Julie Johnson, Legislative Branch
Jessica Riffel, Committee Clerk
Joe Triem, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 130, 3/28/2019; HB 661, 3/28/2019
Executive Action: HB 130, HB 412, HB 661

HEARING ON HB 130

Opening Statement by Sponsor:

15:35:30 Rep. John Fuller (R), HD 8, opened the hearing on HB 130, Revise income tax law to exempt military pensions.

15:36:00 Rep. Woods, Rep. Burnett and Rep. Dudik joined the meeting.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

15:40:16 Rep. Hamilton
15:40:43 Rep. Regier and Rep. Hamlett joined the meeting.
15:42:36 Rep. Mercer, Rep. Hopkins and Vice Chair Jones joined the meeting.
15:46:02 Rep. E. Moore joined the meeting.
15:46:10 Rep. Fuller
15:48:26 Rep. Hamlett
15:49:49 Rep. Fuller
15:50:20 Rep. Woods
15:50:34 Rep. Fuller

Closing by Sponsor:

15:51:11 Rep. Fuller

HEARING ON HB 661

Opening Statement by Sponsor:

15:52:51 Rep. Geraldine Custer (R), HD 39, opened the hearing on HB 661, Revise aviation fuel taxation.

Proponents' Testimony:

15:54:55 Doug Phair, Self
15:58:06 John McKenna, Self

Opponents' Testimony: None

Informational Testimony:

16:01:11 Larry Flynn, Department of Transportation (DOT)

Questions from Committee Members and Responses:

16:01:34 Rep. Woods
16:02:08 John McKenna, Self
16:04:16 Rep. Hamlett
16:05:22 Rep. Windy Boy joined the meeting.
16:07:12 Rep. Custer

Closing by Sponsor:
16:07:44 Rep. Custer

EXECUTIVE ACTION ON HB 130

16:10:59 **Motion:** Rep. Bartel moved that **HB 130 DO PASS**.

Discussion:
16:11:11 Rep. Bedey
16:13:49 Rep. Dudik

16:14:52 **Vote:** Motion carried 16-6 by roll call vote with Rep. Caferro, Rep. Dudik, Rep. Hamilton, Rep. Mercer, Rep. Ryan and Rep. Woods voting no.

EXECUTIVE ACTION ON HB 661

16:15:52 **Motion/Vote:** Rep. Bartel moved that **HB 661 DO PASS**. Motion carried 16-6 by roll call vote with Rep. Burnett, Rep. Glimm, Rep. Keane, Rep. Mercer, Rep. M. Regier and Rep. Windy Boy voting no.

Committee Business:
16:16:56 Chair Glimm
16:17:43 Chair Ballance
16:17:55 Rep. Hamilton
16:18:27 Chair Glimm

EXECUTIVE ACTION ON HB 412

16:18:57 **Motion/Vote:** Rep. Hamlett moved that **HB 412 BE REMOVED FROM TABLE**. Motion carried 18-4 by voice vote with Rep. Burnett, Rep. Glimm, Rep. Read and Rep. M. Regier voting no.

16:19:42 Rep. Hamlett
16:20:31 Chair Glimm

16:20:36 **Motion:** Rep. Hamlett moved that **HB 412 DO PASS**.

16:21:10 **Motion:** Rep. Hamlett moved that **HB 412 BE AMENDED**.
EXHIBIT(aph64b01)

Discussion:
16:21:18 Rep. Hamlett
16:23:59 Rep. E. Moore
16:24:17 Rep. Hamlett

16:25:25 **Vote:** Motion carried 19-3 by voice vote with Rep. Burnett, Rep. Mercer and Rep. M. Regier voting no.

16:26:08 **Motion:** Rep. Bartel moved that **HB 412 DO PASS AS AMENDED**.

Discussion:

16:26:25 Chair Ballance

16:27:25 **Vote:** Motion carried 16-6 by roll call vote with Rep. Bartel, Rep. Burnett, Rep. Glimm, Rep. Hopkins, Rep. Mercer and Rep. M. Regier voting no.

16:28:21 Rep. E. Moore

ADJOURNMENT

Adjournment: 16:29:07

_____
Jessica Riffel, Clerk

jr

Additional Documents:

EXHIBIT(aph64bad.pdf)

66th LEGISLATURE 2019 SESSION

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BUSINESS REPORT

MONTANA HOUSE OF REPRESENTATIVES
66th LEGISLATURE - REGULAR SESSION

HOUSE APPROPRIATIONS COMMITTEE

Date: Thursday, March 28, 2019 **Time:** 3:30 P.M.
Place: Capitol **Room:** 102

BILLS and RESOLUTIONS HEARD:

HB 130 - Revise income tax law to exempt military pensions - Rep. John Fuller (R)

HB 661 - Revise aviation fuel taxation - Rep. Geraldine Custer (R)

EXECUTIVE ACTION TAKEN:

HB 130 - Do Pass

HB 412 - Do Pass As Amended

HB 661 - Do Pass

Comments:

REP. Carl Glimm, Chair

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

DATE: 3/28/19

NAME	PRESENT	ABSENT/EXCUSED
REP. BALLANCE, CHAIR	X	
REP. GLIMM, CHAIR	X	
REP. BARTEL, VICE CHAIR	X	
REP. JONES, VICE CHAIR		X
REP. LYNCH, VICE CHAIR	X	
REP. BEDEY	X	
REP. BURNETT		X
REP. CAFERRO	X	
REP. DUDIK		X
REP. HAMILTON	X	
REP. HAMLETT		X
REP. HOLMLUND	X	
REP. HOPKINS		X
REP. KEANE	X	
REP. MERCER		X
REP. ERIC MOORE		X
REP. PEPPERS	X	
REP. READ	X	
REP. REGIER		X
REP. RYAN	X	
REP. WINDY BOY		X
REP. WOODS		X

22 MEMBERS

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Appropriations** recommend that **House Bill 130** (first reading copy -- white) **do pass**.

Signed: _____
Representative Carl Glimm, Chair

- END -

Committee Vote:
Yes 16, No 6
Fiscal Note Required _X_

HB0130002SC.hlc

NB 3.28

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Appropriations** recommend that **House Bill 661** (first reading copy -- white) **do pass**.

Signed: _____
Representative Carl Glimm, Chair

- END -

Committee Vote:
Yes 16, No 6
Fiscal Note Required _X_

HB0661002SC.hlc

NB 3.28

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Appropriations** recommend that **House Bill 412** (first reading copy -- white) **do pass as amended**.

Signed: _____
Representative Carl Glimm, Chair

And, that such amendments read:

1. Title, page 1, line 8.
Following: "INJURIES;"
Insert: "CREATING A SUICIDE PREVENTION ACCOUNT;"

2. Title, page 1, line 10.
Following: "NOTICE;"
Insert: "PROVIDING APPROPRIATIONS;"

3. Page 1.
Following: line 14
Insert: "NEW SECTION. **Section 1. Suicide prevention account.** (1) There is a suicide prevention account in the state special revenue fund to the credit of the department of public health and human services.

(2) The account receives allocations pursuant to 61-3-303.

(3) Money in the account may only be used to fund suicide prevention efforts in the state."

4. Page 3, line 16.
Strike: "and"

5. Page 3, line 17.

Committee Vote:
Yes 16, No 6
Fiscal Note Required X

HB0412002SC.hlc

NT 3.28

Following: "council"
Insert: ", and to reduce the suicide rate in Montana"

6. Page 4, line 14.
Following: "(10)"
Insert: "(a)"

7. Page 4, line 16.
Following: "2-15-2218"
Insert: "and to the suicide prevention account established in [section 1].

(b) Revenue collected in each fiscal year is allocated as follows:

(i) the first $150,000 to the traumatic brain injury account established in 2-15-2218;

(ii) the next $150,000 to the suicide prevention account established in [section 1]; and

(iii) any excess revenue to the traumatic brain injury account established in 2-15-2218"

8. Page 5.
Following: line 6
Insert: "NEW SECTION. **Section 5. Appropriations.** (1) For the biennium beginning July 1, 2019, there is appropriated $600,000 from the traumatic brain injury account established in 2-15-2218 to the department of public health and human services for the purposes described in that section.

(2) For the biennium beginning July 1, 2019, there is appropriated $300,000 from the suicide prevention account established in [section 1] to the department of public health and human services for the purposes described in that section."
Renumber: subsequent sections

- END -

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

BILL NUMBER HB 130 DATE 3/28/19

MOTION Do Pass

NAME	AYE	NO	PROXY
REP. BARTEL, VICE CHAIR	X		
REP. JONES, VICE CHAIR	X		
REP. LYNCH, VICE CHAIR	X		
REP. ERIC MOORE	X		
REP. KEANE	X		
REP. RYAN		X	
REP. HAMILTON		X	
REP. HOPKINS	X		
REP. READ	X		
REP. WOODS		X	
REP. WINDY BOY	X		
REP. CAFERRO		X	
REP. DUDIK		X	
REP. BURNETT	X		
REP. REGIER	X		
REP. PEPPERS	X		
REP. HAMLETT	X		
REP. MERCER		X	
REP. BEDEY	X		
REP. HOLMLUND	X		
REP. BALLANCE, CHAIR	X		
REP. GLIMM, CHAIR	X		

22 MEMBERS

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

BILL NUMBER HB 661 DATE 3/28/19

MOTION Do Pass

NAME	AYE	NO	PROXY
REP. BARTEL, VICE CHAIR	X		
REP. JONES, VICE CHAIR	X		
REP. LYNCH, VICE CHAIR	X		
REP. ERIC MOORE	X		
REP. KEANE		X	
REP. RYAN	X		
REP. HAMILTON	X		
REP. HOPKINS	X		
REP. READ	X		
REP. WOODS	X		
REP. WINDY BOY		X	
REP. CAFERRO	X		
REP. DUDIK	X		
REP. BURNETT		X	
REP. REGIER		X	
REP. PEPPERS	X		
REP. HAMLETT	X		
REP. MERCER		X	
REP. BEDEY	X		
REP. HOLMLUND	X		
REP. BALLANCE, CHAIR	X		
REP. GLIMM, CHAIR		X	

22 MEMBERS

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

BILL NUMBER HB 412 DATE 3/28/19

MOTION Do Pass As Amended

NAME	AYE	NO	PROXY
REP. BARTEL, VICE CHAIR		X	
REP. JONES, VICE CHAIR	X		
REP. LYNCH, VICE CHAIR	X		
REP. ERIC MOORE	X		
REP. KEANE	X		
REP. RYAN	X		
REP. HAMILTON	X		
REP. HOPKINS		X	
REP. READ	X		
REP. WOODS	X		
REP. WINDY BOY	X		
REP. CAFERRO	X		
REP. DUDIK	X		
REP. BURNETT		X	
REP. REGIER		X	
REP. PEPPERS	X		
REP. HAMLETT	X		
REP. MERCER		X	
REP. BEDEY	X		
REP. HOLMLUND	X		
REP. BALLANCE, CHAIR	X		
REP. GLIMM, CHAIR		X	

22 MEMBERS

MONTANA House of Representatives
Visitors Register
HOUSE APPROPRIATIONS COMMITTEE

Thursday, March 28, 2019
HB 130 - Revise income tax law to exempt military pensions
Sponsor: **Rep. John Fuller (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE APPROPRIATIONS COMMITTEE

Thursday, March 28, 2019
HB 661 - Revise aviation fuel taxation
Sponsor: **Rep. Geraldine Custer (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TRANSPORTATION

Call to Order: Chair Denley M. Loge, on March 25, 2019 at 3:00 PM, in Room 455 Capitol

ROLL CALL

Members Present:

Rep. Denley M. Loge, Chair (R)
Rep. Bridget Smith, Vice Chair (D)
Rep. Julie Dooling (R)
Rep. Dave Fern (D)
Rep. Frank Fleming (R)
Rep. Sharon Greef (R)
Rep. Derek J. Harvey (D)
Rep. Joshua Kassmier (R)
Rep. Joel G. Krautter (R)
Rep. Jasmine Krotkov (D)
Rep. Zac Perry (D)
Rep. Mark Sweeney (D)

Members Excused:

Rep. Frank Garner, Vice Chair (R)
Rep. Rodney Garcia (R)

Members Absent: None

Staff Present:

Joe Carroll, Legislative Branch
Kathlyn Royal, Committee Clerk

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 717, 3/22/2019; HB 719, 3/22/2019 HB 756, 3/25/2019

Executive Action: HB 717, HB 719, HB 756, HB 81, HB 661

15:24:25 Chair Loge

HEARING ON HB 717

Opening Statement by Sponsor:
15:25:52 Rep. Marvin Weatherwax (D), HD 15, opened the hearing on HB717, Establish the Louis Charles Charlo memorial highway.

Proponents' Testimony:
15:29:14 Jason Smith, Governor's Office of Indian Affairs
15:29:34 Jordan Thompson, Confederated Salish and Kootenai Tribes (CSKT)
15:30:43 Leah Whitford, self
15:31:30 Rep. Dudik, HD 94
15:31:40 Rep. Harvey left the meeting.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
15:32:12 Chair Loge
15:32:32 Jordan Thompson, CSKT
15:32:47 Chair Loge

Closing by Sponsor:
15:33:06 Rep. Weatherwax

15:34:00 Rep. Sweeney
15:34:04 Chair Loge

EXECUTIVE ACTION ON HB 717

15:34:15 **Motion/Vote:** Rep. Sweeney moved that **HB 717 DO PASS**. Motion carried unanimously by voice vote. Rep. Garcia, Rep. Garner and Rep. Harvey voted by proxy.

HEARING ON HB 719

Opening Statement by Sponsor:
15:35:28 Rep. Kimberly Dudik (D), HD 94, opened the hearing on HB719, Establish the Jeannette Rankin memorial highway.

Proponents' Testimony:
15:37:29 Pat Wise, Montana Department of Transportation (MDT)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
15:38:26 Vice Chair Smith
15:38:39 Rep. Dudik
15:38:54 Rep. Fleming
15:39:12 Rep. Dudik
15:39:35 Rep. Fleming
15:39:52 Rep. Dudik
15:40:12 Chair Loge
15:40:26 Larry Flynn, Montana Department of Transportation (MDT)
15:40:53 Rep. Fern
15:41:09 Chair Loge

Closing by Sponsor:
15:41:21 Rep. Dudik

EXECUTIVE ACTION ON HB 719

15:41:44 **Motion:** Rep. Fern moved that **HB 719 DO PASS**.

15:41:56 Rep. Sweeney

15:42:23 **Vote:** Motion carried unanimously by voice vote. Rep. Garcia, Rep. Garner and Rep. Harvey voted by proxy.

HEARING ON HB 756

Opening Statement by Sponsor:
15:43:23 Rep. Bridget Smith (D), HD 31, opened the hearing on HB756, Establish the Dolly Smith Akers memorial highway.

Proponents' Testimony:
15:47:05 Jason Smith, Governor's Office of Indian Affairs
15:47:35 Rep. Harvey joined the meeting.
15:47:38 Rep. Garcia joined the meeting.
15:48:07 Leah Whitford, self

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
15:50:06 Rep. Fern
15:50:50 Rep. Smith
15:52:48 Rep. Fern

Closing by Sponsor:
15:53:15 Rep. Smith

EXECUTIVE ACTION ON HB 756

15:54:07 **Motion:** Rep. Fern moved that **HB 756 DO PASS**.

Discussion:
15:54:34 Rep. Sweeney
15:54:52 Chair Loge
15:55:07 Rep. Garcia
15:55:12 Chair Loge

15:55:29 **Vote:** Motion carried unanimously by voice vote. Rep. Garner voted by proxy.

15:56:02 Chair Loge
EXHIBIT(trh61a01)
EXHIBIT(trh61a02)

15:58:31 Rep. Fern
15:58:45 Joe Carroll, Legislative Services Division (LSD)
16:00:12 Rep. Fern
16:00:21 Chair Loge
16:00:26 Rep. Fern
16:00:39 Joe Carroll, LSD
16:00:46 Rep. Fern
16:01:04 Joe Carroll, LSD
16:01:15 Chair Loge
16:02:00 Rep. Garcia
16:02:07 Chair Loge
16:02:58 Rep. Krotkov
16:03:12 Chair Loge
16:03:39 Rep. Greef
16:03:46 Chair Loge

16:04:32 Recessed
16:35:01 Reconvened

EXECUTIVE ACTION ON HB 81

16:35:23 **Motion:** Rep. Kassmier moved that **HB 81 DO PASS**.

16:35:40 **Substitute Motion/Vote:** Rep. B. Smith made a substitute motion that **HB 81 BE TABLED**. Substitute Motion carried unanimously by voice vote. Rep. Garner voted by proxy.

EXECUTIVE ACTION ON HB 661

16:36:27 **Motion:** Rep. Harvey moved that **HB 661 DO PASS**.

16:36:45 **Motion:** Rep. B. Smith moved that **HB 661 BE AMENDED**.
(see Exhibit 1)

Discussion:
16:37:27 Rep. Kassmier
16:37:57 Chair Loge
16:38:15 Joe Carroll, LSD
16:38:50 Rep. Kassmier
16:39:22 Chair Loge
16:39:40 Joe Carroll, LSD
16:40:14 Chair Loge
16:40:32 Vice Chair Smith
16:40:43 Rep. Kassmier
16:41:14 Chair Loge
16:41:18 Rep. Kassmier
16:41:48 Joe Carroll, LSD
16:42:42 Chair Loge
16:42:51 Joe Carroll, LSD

16:43:03 **Motion:** Rep. Kassmier moved to **SEGREGATE SECTIONS 1 AND 7 OF THE AMENDMENT.**

Discussion:
16:43:20 Rep. Harvey
16:43:38 Chair Loge
16:44:00 Joe Carroll, LSD
16:44:18 Chair Loge
16:44:27 Rep. Fern
16:45:10 Chair Loge
16:45:26 Rep. Fern
16:45:51 Chair Loge
16:46:30 Rep. Kassmier
16:46:42 Chair Loge
16:47:04 Joe Carroll, LSD
16:48:08 Chair Loge
16:48:26 Rep. Fern
16:48:46 Chair Loge
16:49:14 Rep. Krautter
16:49:38 Chair Loge
16:50:10 Rep. Fern
16:51:50 Rep. Krotkov
16:53:36 Vice Chair Smith

16:53:52 **Vote:** Motion failed 4-10 by roll call vote with Rep. Dooling, Rep. Fleming, Rep. Garcia and Rep. Kassmier voting aye. Rep. Garner voted by proxy.

16:55:53 **Vote:** Motion carried 13-1 by roll call vote with Rep. Kassmier voting no. Rep. Garner voted by proxy.

16:57:08 Rep. Krautter
16:57:38 Rep. Sweeney
16:58:26 Rep. Fern

16:58:39 **Vote:** Motion carried 13-1 by roll call vote with Rep. Kassmier voting no. Rep. Garner voted by proxy.

16:59:50 Chair Loge

ADJOURNMENT

Adjournment: 17:00:10

_____
Kathlyn Royal, Clerk

kr

Additional Documents:

EXHIBIT(trh61aad.pdf)

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BUSINESS REPORT

MONTANA HOUSE OF REPRESENTATIVES
66th LEGISLATURE - REGULAR SESSION

HOUSE TRANSPORTATION COMMITTEE

Date: Monday, March 25, 2019 **Time:** 3:00 PM
Place: Capitol **Room:** 455

BILLS and RESOLUTIONS HEARD:

HB 717 - Establish the Louis Charles Charlo memorial highway - Rep. Marvin Weatherwax (D)
HB 719 - Establish the Jeannette Rankin memorial highway - Rep. Kimberly Dudik (D)
HB 756 - Establish the Dolly Smith Akers memorial highway - Rep. Bridget Smith (D)

EXECUTIVE ACTION TAKEN:

HB 717 - Do Pass
HB 719 - Do Pass
HB 756 - Do Pass
HB 81 - Tabled
HB 661 - Do Pass as Amended

Comments:

Rep. Denley M. Loge

REP. Denley M. Loge, Chair

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

TRANSPORTATION COMMITTEE

ROLL CALL

DATE March 25th, 2019

NAME	PRESENT	ABSENT/EXCUSED
REP. GARNER, VICE CHAIR		✓
REP. SMITH, VICE CHAIR	✓	
REP. DOOLING	✓	
REP. FERN	✓	
REP. FLEMING	✓	
REP. HARVEY	✓	
REP. GARCIA		✓
REP. GREEF	✓	
REP. KROTKOV	✓	
REP. KRAUTTER	✓	
REP. PERRY	✓	
REP. KASSMIER	✓	
REP. SWEENEY	✓	
CHAIR LOGE	✓	

14 MEMBERS

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Transportation** recommend that **House Bill 717** (first reading copy -- white) **do pass**.

Signed: _____
Representative Denley M. Loge, Chair

- END -

Committee Vote:
Yes 14, No 0
Fiscal Note Required __

HB0717001SC.hlc

3.26
NoFN

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Transportation** recommend that **House Bill 719** (first reading copy -- white) **do pass**.

Signed: _____
Representative Denley M. Loge, Chair

- END -

Committee Vote:
Yes 14, No 0
Fiscal Note Required __

HB0719001SC.hlc

3.26

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Transportation** recommend that **House Bill 756** (first reading copy -- white) **do pass**.

Signed: _____
Representative Denley M. Loge, Chair

- END -

Committee Vote:
Yes 14, No 0
Fiscal Note Required __

HB0756001SC.hlc

3.25
No Pr

COMMITTEE FILE COPY

BILL TABLED NOTICE

HOUSE TRANSPORTATION COMMITTEE

The **HOUSE TRANSPORTATION COMMITTEE** TABLED

HB 81 - Eliminate aviation fuel refunds and revise allocations of aircraft reg. account - Rep. Willis Curdy (D)

by motion, on **Monday, March 25, 2019** (PLEASE USE THIS ACTION DATE IN LAWS BILL STATUS).

Kathlyn Royal
(For the Committee)

MKB
(For the Chief Clerk of the House)

7:08pm / 3.25
(Time) (Date)

March 25, 2019 (5:29pm) Kathlyn Royal, Secretary Phone: 444-4877

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Transportation** recommend that **House Bill 661** (first reading copy -- white) **do pass as amended**.

Signed: _____
Representative Denley M. Loge, Chair

And, that such amendments read:

1. Title, page 1, line 5.
Strike: "REPEALING"
Insert: "REDUCING"

2. Title, page 1, line 7.
Following: "REGISTRATION FEES;"
Insert: "INCREASING AIRCRAFT REGISTRATION FEES"

3. Title, page 1, line 8.
Strike: "AND"
Following: "67-3-205,"
Insert: "AND 67-3-206,"

4. Page 1, line 23.
Strike: "municipalities"
Insert: "local governments"

5. Page 1, line 29.
Strike: section 3 in its entirety
Renumber: subsequent sections

6. Page 2, line 23.
Strike: "14"
Insert: "6.5"

7. Page 6, line 6.

Committee Vote:
Yes 13, No 1
Fiscal Note Required X

HB0661001SC.hlc

NB 3.25

Following: line 6
Insert: "(6) A scheduled passenger air carrier certified under 14 CFR, part 121 or 135, may claim a refund of:

(a) 2 cents on each gallon of aviation fuel purchased by the carrier prior to July 1, 2021, on which the Montana gasoline tax has been paid.

(b) 1 cent on each gallon of aviation fuel purchased by the carrier on or after July 1, 2021, on which the Montana gasoline tax has been paid."

8. Page 6, line 30.
Following: "(3)"
Strike: "All"
Insert: "(a) Except as provided in subsection (3)(b), all"

9. Page 7, line 3.
Following: line 3
Insert: "(b) All applications for refunds on purchases of aviation fuel made on or after July 1, 2019, must be filed with the department within 12 months after the date of purchase as shown by invoices or after the date on which the tax was erroneously paid. A distributor may file a claim for refund of taxes erroneously paid or for a credit for taxes paid by the distributor on unpaid accounts within 1 year after the date of payment on purchases made on or after July 1, 2019."

10. Page 7, line 26.
Strike: "[section 3];"

11. Page 11, line 2.
Strike: "8"
Insert: "4.5"

12. Page 11, line 5.
Strike: ";"
Insert: "."

13. Page 11, line 6.
Strike: subsection (c) in its entirety

14. Page 12, line 9.
Strike: "30% to the state general fund"
Insert: "70% to the airport grant account in the state special revenue fund provided for in [section 2]"

15. Page 12, line 10.
Strike: "70%"
Insert: "30%"

16. Page 12, line 13.
Following: line 13
"Section 12. Section 67-3-206, MCA, is amended to read:
"67-3-206. Schedule of fees in lieu of tax for aircraft.
(1) The appropriate fee in lieu of tax imposed on aircraft is based on the age and type of aircraft and must be determined from the following schedule:

	YEARS				
	0 - 5	6 - 10	11 - 20	21 - 30	31 - 40
Single engine, fixed gear, 200 horsepower and under	$ ~~300~~ 450	$ ~~175~~ 262.5	$~~100~~ 150	$ ~~50~~ 75	$ ~~25~~ 37.5
Single engine, fixed gear, over 200 horsepower	~~500~~ 750	~~250~~ 375	~~150~~ 225	~~75~~ 112.5	~~50~~ 75
Single engine, retractable gear, 200 horsepower and under	~~600~~ 900	~~300~~ 450	~~175~~ 262.5	~~100~~ 150	~~75~~ 112.5
Single engine, retractable gear, over 200 horsepower	~~700~~ 1,050	~~400~~ 600	~~200~~ 300	~~125~~ 187.5	~~100~~ 150
Multi-engine, piston engine	~~800~~ 1,200	~~500~~ 750	~~250~~ 375	~~175~~ 262.5	~~150~~ 225
Helicopter, piston	~~700~~ 1,050	~~450~~ 675	~~225~~ 337.5	~~150~~ 225	~~125~~ 187.5

engine					
Single engine jet helicopter, prop jet	~~1,500~~ 2,250	~~700~~ 1,050	~~450~~ 675	~~300~~ 450	~~175~~ 262.5
Multi-engine jet helicopter, prop jet	~~2,000~~ 3,000	~~1,000~~ 1,500	~~600~~ 900	~~400~~ 600	~~200~~ 300
Jet engine, no propeller	~~3,000~~ 4,500	~~1,500~~ 2,250	~~800~~ 1,200	~~500~~ 750	~~250~~ 375

(2) (a) Except as provided in subsection (2)(b), the age of an aircraft is determined by subtracting the manufacturer's designated model year from the current calendar year.

(b) If the purchase year of an aircraft precedes the designated model year of the aircraft and the aircraft is originally titled in Montana, then the purchase year is considered the model year for the purposes of calculating the fee in lieu of tax.

(3) The fee in lieu of tax imposed on any glider, ultralight, gyrocopter, balloon, homebuilt aircraft, antiques, or any aircraft over 40 years old is ~~$20~~ $30."

17. Page 12, line 14.
Strike: "through 3"
Insert: "and 2"

18. Page 12, line 16.
Strike: "through 3"
Insert: "and 2"

- END -

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

TRANSPORTATION COMMITTEE
ROLL CALL VOTE

BILL NUMBER HB 661 DATE March 25th '19

MOTION be amended

NAME	AYE	NO	PROXY
VICE CHAIR GARNER	✓		✓
VICE CHAIR SMITH	✓		
REP. DOOLING	✓		
REP. FERN	✓		
REP. FLEMING	✓		
REP. HARVEY	✓		
REP. GARCIA	✓		
REP. GREEF	✓		
REP. KROTKOV	✓		
REP. KRAUTTER	✓		
REP. PERRY	✓		
REP. KASSMIER		✓	
REP. SWEENEY	✓		
CHAIR LOGE	✓		

14 MEMBERS

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

TRANSPORTATION COMMITTEE

ROLL CALL VOTE

BILL NUMBER HB 661 DATE March 25th 2019

MOTION Do Pass as Amended

NAME	AYE	NO	PROXY
VICE CHAIR GARNER	✓		✓
VICE CHAIR SMITH	✓		
REP. DOOLING	✓		
REP. FERN	✓		
REP. FLEMING	✓		
REP. HARVEY	✓		
REP. GARCIA	✓		
REP. GREEF	✓		
REP. KROTKOV	✓		
REP. KRAUTTER	✓		
REP. PERRY	✓		
REP. KASSMIER		✓	
REP. SWEENEY	✓		
CHAIR LOGE	✓		

14 MEMBERS

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

TRANSPORTATION COMMITTEE

ROLL CALL VOTE

BILL NUMBER HB 661 DATE March 25th 2019

MOTION to segregate sections 1 and 7 of the amendment

NAME	AYE	NO	PROXY
VICE CHAIR GARNER	✓	✓	✓
VICE CHAIR SMITH		✓	
REP. DOOLING	✓		
REP. FERN		✓	
REP. FLEMING	✓		
REP. HARVEY		✓	
REP. GARCIA	✓		
REP. GREEF		✓	
REP. KROTKOV		✓	
REP. KRAUTTER		✓	
REP. PERRY		✓	
REP. KASSMIER	✓		
REP. SWEENEY		✓	
CHAIR LOGE		✓	

14 MEMBERS

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

AUTHORIZED COMMITTEE PROXY 66TH LEGISLATIVE SESSION

I request to be excused from the Transportation Committee.

I desire to leave my proxy vote with Rep. Frank Fleming.

Directions: *Please include* ***bill number*** *and* ***motion*** *or* ***amendment number.***
Example: *HB 123 Do Pass, HB012301.AJJ, HB123 Do Pass as Amended, HB 345 Table.*

BILL/AMENDMENT	AYE	NO
HB 717	X	
HB 719	X	

BILL/AMENDMENT	AYE	NO

I authorize my vote to be matched with that of Rep. Frank Fleming for any amendments proposed on this date.

Rep. [signature] (Signature)

Date 3/25/2019

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

AUTHORIZED COMMITTEE PROXY 66TH LEGISLATIVE SESSION

I request to be excused from the TRANSPORTATION Committee.

I desire to leave my proxy vote with Rep. Loge.

Directions: *Please include* ***bill number*** *and* ***motion*** *or* ***amendment number****.*
Example: *HB 123 Do Pass, HB012301.AJJ, HB123 Do Pass as Amended, HB 345 Table.*

BILL/AMENDMENT	AYE	NO
HB 717	X	
HB 719	X	
HB 756	X	
HB 81 table	X	
~~HB table~~		
HB 661	X	
Consept Amend		X
Amend HB066101.AJC	X	

BILL/AMENDMENT	AYE	NO

I authorize my vote to be matched with that of Rep. Loge for any amendments proposed on this date.

Rep. _____ (Signature)

Date 03/25/2019

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

AUTHORIZED COMMITTEE PROXY 66TH LEGISLATIVE SESSION

I request to be excused from the Transportation Committee.

I desire to leave my proxy vote with Rep. Budgd Smith.

Directions: *Please include* ***bill number*** *and* ***motion*** *or* ***amendment number****.*
Example: *HB 123 Do Pass, HB012301.AJJ, HB123 Do Pass as Amended, HB 345 Table.*

BILL/AMENDMENT	AYE	NO
HB 717	✓	
HB 719	✓	

BILL/AMENDMENT	AYE	NO

I authorize my vote to be matched with that of Rep. Budgt Smith for any amendments proposed on this date.

Rep. [signature] (Signature)

Date 3-25-19

MONTANA House of Representatives
Visitors Register
HOUSE TRANSPORTATION COMMITTEE

Monday, March 25, 2019
HB 756 - Establish the Dolly Smith Akers memorial highway
Sponsor: **Rep. Bridget Smith (D)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Tasch Smith	Gov's Office	X		
Lea Whitford		X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE TRANSPORTATION COMMITTEE

Monday, March 25, 2019
HB 719 - Establish the Jeannette Rankin memorial highway
Sponsor: **Rep. Kimberly Dudik (D)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Pat Wise	MDT	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE TRANSPORTATION COMMITTEE

Monday, March 25, 2019
HB 717 - Establish the Louis Charles Charlo memorial highway
Sponsor: **Rep. Marvin Weatherwax (D)**

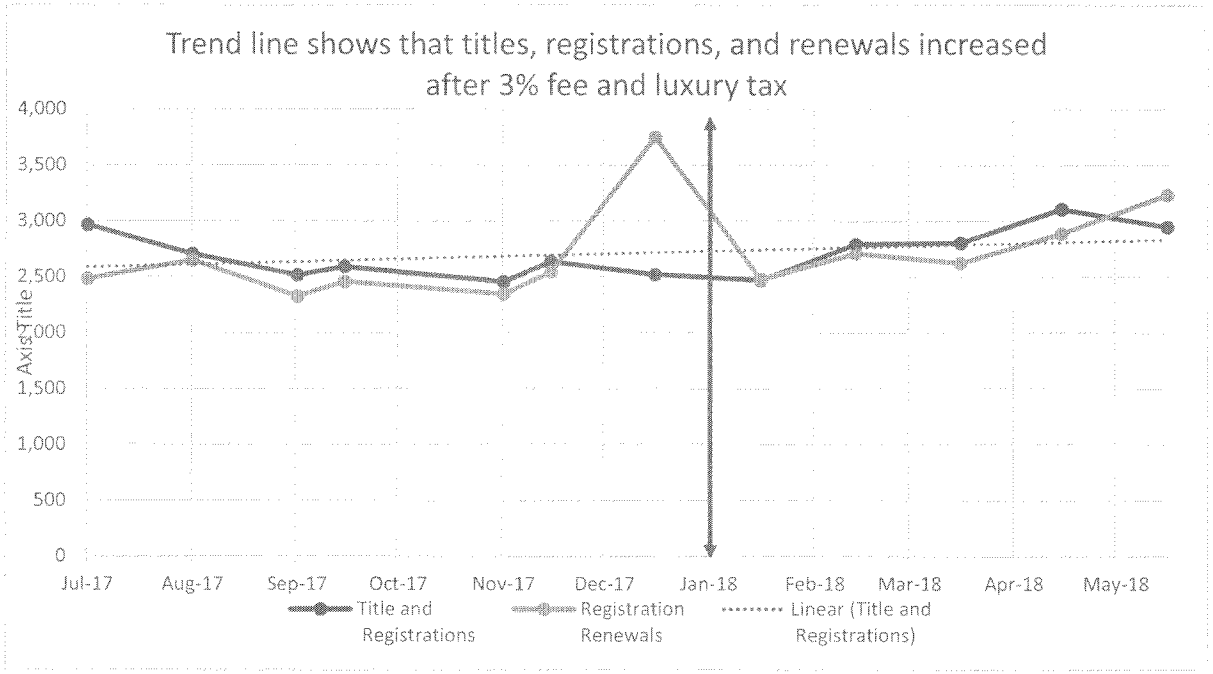
PLEASE PRINT

Name	Representing	Support	Oppose	Info
Jason Smith	Gov's Office	X		
Jordan Thompson	CSKT	X		
Lea Whitford		X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

LLC transactions six months before and after 3% fee and luxury tax

DATE	Title and Registrations	Registration Renewals
Jul-17	2,963	2,484
Aug-17	2,703	2,647
Sep-17	2,514	2,324
Oct-17	2,589	2,456
Nov-17	2,453	2,343
Dec-17	2,635	2,541
Jan-18	2,518	3,747
Feb-18	2,467	2,475
Mar-18	2,789	2,709
Apr-18	2,803	2,621
May-18	3,104	2,887
Jun-18	2,946	3,233



ADDITIONAL DOCUMENTS

MINUTES

MONTANA SENATE
66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON HIGHWAYS AND TRANSPORTATION

Call to Order: Chair Gordon Vance, on April 9, 2019 at 3:00 PM, in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Gordon Vance, Chair (R)
Sen. Carlie Boland, Vice Chair (D)
Sen. Steve Fitzpatrick, Vice Chair (R)
Sen. Bryce Bennett (D)
Sen. Dee Brown (R)
Sen. John Esp (R)
Sen. Diane Sands (D)
Sen. Roger Webb (R)
Sen. Jeffrey W. Welborn (R)

Members Excused: Sen. Jen Gross (D)

Members Absent: None

Staff Present: Noah Horan, Committee Secretary
Laura Sankey Keip, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted:	HB 661, 4/5/2019; HB 717, 4/5/2019; HB 719, 4/5/2019; HB 748, 4/5/2019; HB 756, 4/5/2019
Executive Action:	HB 719 BE CONCURRED IN; HB 756 BE CONCURRED IN; HB 717 BE CONCURRED IN; HB 748 BE CONCURRED IN

HEARING ON HB 719

Opening Statement by Sponsor:
15:13:19 Rep. Kimberly Dudik (D), HD 94, opened the hearing on HB 719, Establish the Jeannette Rankin memorial highway.

Proponents' Testimony:
15:15:17 Pat Wise, Montana Department of Transportation

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:
15:16:05 Rep. Dudik

EXECUTIVE ACTION ON HB 719

15:16:33 **Motion/Vote:** Sen. Boland moved that **HB 719 BE CONCURRED IN**. Motion carried unanimously by voice vote. Sen. Bennett, Sen. Fitzpatrick, Sen. Gross and Sen. Welborn voted by proxy. Sen. Sands will carry the bill.

15:17:04 Sen. Welborn entered the meeting.

HEARING ON HB 756

Opening Statement by Sponsor:
15:17:25 Rep. Bridget Smith (D), HD 31, opened the hearing on HB 756, Establish the Dolly Smith Akers memorial highway.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
15:19:49 Sen. Brown
15:20:35 Rep. Smith
15:20:41 Sen. Sands
15:21:17 Rep. Smith

Closing by Sponsor:
15:21:26 Rep. Smith

EXECUTIVE ACTION ON HB 756

15:21:51 **Motion:** Sen. Boland moved that **HB 756 BE CONCURRED IN**.

Discussion:
15:22:00 Sen. Sands

15:22:08 **Vote:** Motion carried unanimously by voice vote. Sen. Bennett, Sen. Fitzpatrick and Sen. Gross voted by proxy. Sen. Sands will carry the bill.

HEARING ON HB 717

Opening Statement by Sponsor:
15:22:42 Rep. Marvin Weatherwax (D), HD 15, opened the hearing on HB 717, Establish the Louis Charles Charlo memorial highway.

Proponents' Testimony:
15:27:02 Gary White, American Legion of Montana
15:27:41 Roger Hagan, Montana National Guard Officer and Enlisted Associations
15:28:23 Ray Read, American Legion of Montana
15:29:05 Jason Smith, Governor's Office

15:29:38 Sen. Brown left the hearing.

15:30:10 Jordan Thompson, Confederated Salish and Kootenai Tribes of the Flathead Nation
15:31:18 Cinda Burd, Montana Native Vote
EXHIBIT(his74a01)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
15:33:09 Sen. Sands
15:33:20 Rep. Weatherwax

Closing by Sponsor:
15:33:38 Rep. Weatherwax

EXECUTIVE ACTION ON HB 717

15:34:24 **Motion/Vote:** Sen. Boland moved that **HB 717 BE CONCURRED IN**. Motion carried unanimously by voice vote. Sen. Bennett, Sen. D. Brown, Sen. Fitzpatrick and Sen. Gross voted by proxy. Sen. Ankney will carry the bill.

HEARING ON HB 748

Opening Statement by Sponsor:
15:35:13 Rep. Jade Bahr (D), HD 50, opened the hearing on HB 748, Establish the Minnie Spotted-Wolf memorial highway.
EXHIBIT(his74a02)

Proponents' Testimony:
15:37:58 Roger Hagan, Montana National Guard Officer and Enlisted Associations
15:38:42 Gary White, American Legion of Montana
15:39:05 Jason Smith, Governor's Office
15:39:40 Rep. Marvin Weatherwax, HD 15
15:40:29 Cinda Burd, Montana Native Vote
EXHIBIT(his74a03)

15:41:10 Jordan Thompson, Confederated Salish and Kootenai Tribes of the Flathead Nation

15:41:20 Sen. Esp left the hearing.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
15:41:52 Sen. Sands
15:42:01 Rep. Bahr

Closing by Sponsor:
15:42:16 Rep. Bahr

EXECUTIVE ACTION ON HB 748

15:42:30 **Motion/Vote:** Sen. Boland moved that **HB 748 BE CONCURRED IN**. Motion carried unanimously by voice vote. Sen. Bennett, Sen. D. Brown, Sen. Esp, Sen. Fitzpatrick and Sen. Gross voted by proxy. Sen. Webber will carry the bill.

15:45:07 Sen. Brown returned to the meeting.

HEARING ON HB 661

Opening Statement by Sponsor:
15:46:03 Rep. Geraldine Custer (R), HD 39, opened the hearing on HB 661, Revise aviation fuel taxation.
EXHIBIT(his74a04)
EXHIBIT(his74a05)

Proponents' Testimony:
15:50:17 Sen. Duane Ankney, SD 20
15:53:06 Doug Phair, self

15:57:45 Tricia McKenna, Montana Aeronautics Board
15:58:19 Rep. Willis Curdy, HD 98
16:01:18 Ron Hooper, Neptune Aviation

16:01:50 Sen. Bennett entered the hearing.

16:03:21 Todd Devlin, county commissioner, Prairie County
EXHIBIT(his74a06)

16:04:35 Shane Gorder, county commissioner, Richland County
16:06:18 Katie Pribyl, self
16:07:06 Roger Lincoln, self
16:08:28 Walt McNutt, self
16:11:18 Jason Rittal, Montana Association of Counties
16:11:35 Tim Burton, Montana League of Cities and Towns
16:11:59 Peter Smith, self
16:12:20 Bob Hollister, self
EXHIBIT(his74a07)

16:12:42 Robert Buckles, self
16:13:19 Kevin Myhre, self
EXHIBIT(his74a08)
EXHIBIT(his74a09)
EXHIBIT(his74a10)

16:14:11 Sen. Fitzpatrick entered the hearing.

16:14:14 Greg Smith, president, Association for Montana Aerial Applicators
16:14:50 David Smith, Montana Contractors Association
16:15:15 Jon Hudson, self

Opponents' Testimony:
16:16:05 Bob Story, Montana Taxpayers Association
16:22:41 Bob Gilbert, Montana Aviation Trades Association
16:28:39 Spook Stang, Motor Carriers of Montana
EXHIBIT(his74a11)

16:29:11 Brian Sprenger, Bozeman Airport
16:31:38 Jeff Wadekamper, Helena Regional Airport
16:33:32 Dana Debel, Delta Airlines
16:36:07 Brian Ellestad, Missoula Airport
16:36:23 Lara Tait, Great Falls International Airport
16:36:32 Joe Hughes, American Airlines
16:36:45 Jonathan Jackson, Allegiant Air
16:36:53 Darrin Hall, United Airlines
16:37:04 Stuart Doggett, Montana Lodging and Hospitality Association
16:37:15 Ed Bartlett, Bozeman Area Chamber of Commerce
16:37:32 Shane Scanlon, Kalispell Chamber of Commerce
16:37:43 Aidan Myhre, American Airlines for America

Informational Testimony:
16:38:34 Larry Flynn, Montana Department of Transportation (MDT)
16:39:15 Tim Conway, MDT

Questions from Committee Members and Responses:
16:39:35 Sen. Brown
16:40:23 Mr. Conway, MDT
16:40:47 Sen. Brown
16:41:32 John McKenna
16:42:00 Sen. Brown
16:42:18 Mr. McKenna
16:43:02 Sen. Webb
16:43:16 Mr. Conway
16:43:29 Sen. Webb
16:43:39 Mr. Conway

Closing by Sponsor:
16:43:47 Rep. Custer

16:47:50 Chair Vance
16:48:32 Sen. Webb
16:49:11 Laura Sankey Keip, Legislative Services Division (LSD)
16:50:12 Sen. Sands

ADJOURNMENT

Adjournment: 4:51 PM

_____
Noah Horan, Secretary

nh

Additional Documents:

Additional Documents:

EXHIBIT(his74aad.pdf)

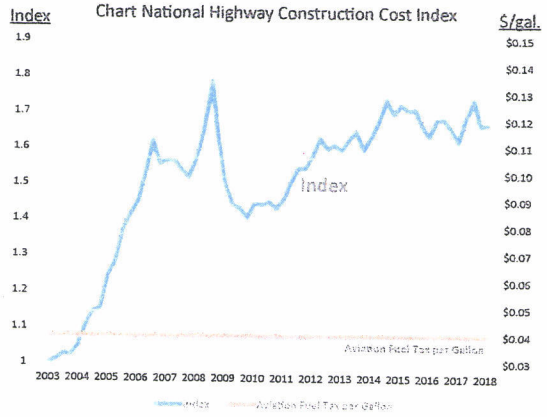
PILOTS FOR MONTANA AIRPORTS
HOUSE BILL 661

EXHIBIT NO. 4
DATE: 4-9-19
BILL NO. HB 661

Montana's Community Airports and MDT Aeronautics are in critical need of help.

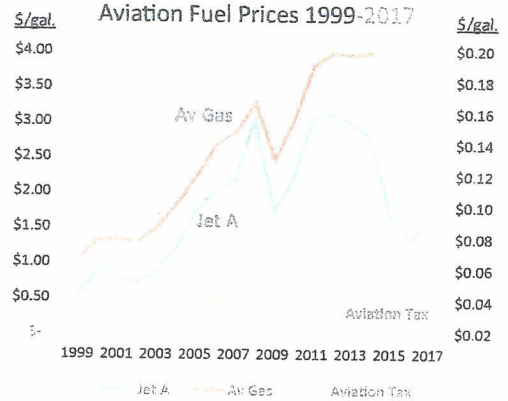
- The Aviation Fuel tax has remained static at 4¢ per gallon since 1999.
- 2¢ of the 4¢ aviation fuel tax is allocated to MDT Aeronautics (60% of Aeronautics budget) has run significant deficits despite an annual infusion of $150,000 from MDT.
- The remaining 2¢ of the aviation fuel tax is allocated to the Aeronautics Grant Fund to support airports in the federally funded 90/10 grant program and non-federally funded airports.
- Scheduled Passenger Air Carriers (Airlines) receive a subsidy in the form of a rebate and are projected to receive $591,000 in FY19 and $530,000 in FY20. **Funds that would otherwise be in the Aeronautics Grant Fund.**
- FY18 the Aeronautics Grant Fund was short $1,375,419 vs requests.
- After rebates to airlines, General Aviation pays 60% of the aviation fuel tax in Montana.
- Critical airport infrastructure projects are not moving forward due to lack of funds.
- 90% of aircraft registration fees go to the general fund. The 10% going to MDT Aeronautics does not cover the cost of the registration program.
- Construction costs and fuel prices are significantly higher while the aviation fuel tax has remained fixed at $0.04

Construction Costs are significantly higher while Montana's Aviation Fuel Tax has remained fixed



Source: US DOT Federal Highway Administration

Aviation Fuel has increased 250 - 400% while Montana's Aviation Fuel Tax has remained static



Source: US Energy Information Administration

TABLE OF CONTENTS

MONTANA AIRPORTS — PAGE 3

HOW THE AVIATION FUEL TAX SUPPORTS MONTANA AIRPORTS — PAGE 4

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SOLUTIONS — PAGE 8

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ATTACHMENTS - ENGINEERING ESTIMATES

MONTANA AIRPORTS

- There are 126 Public Use Airports in Montana. 64 are eligible to receive Federal Aviation Administration (FAA) matching grant funds for airport improvements. The 90%/10% grants require 10% local matching funds.

- The remaining 62 airports fund improvements with local (city/county) funds and/or assistance (if available) from MDT Aeronautics grant program.

- Air Ambulance operators use Montana's numerous public use airports every day.

- Montana's Community Airports are critical to wildland firefighting activities.

- Montana's Aviation System is estimated to provide an overall net contribution to the state's economy of nearly $2.8 billion in business sales and approximately 24,000 jobs.

- Montana Community Airports provide a base of operations for:
  - Air Ambulance
  - Flight Training
  - Utility Inspection
  - Business Travel
  - Military Operations
  - Agricultural Operations
  - Firefighting Operations on State, Federal & Private lands
  - Search & Rescue Operations
  - Executive Transport
  - Tourism & Recreational Travel
  - Law Enforcement
  - Medical Doctors Transportation

HOW THE AVIATION FUEL TAX SUPPORTS MONTANA AIRPORTS

FY19 & FY20 Projections for Funding Airport Projects by MDT Aeronautics

		FY19		FY20	
Aviation Fuel Tax	$ 0.04/gal	$ 1,633,880		$ 1,683,140	
		MDT Aeronautics	Grant Program	MDT Aeronautics	Grant Program
Allocation	50 %	$ 816,940	$ 816,940	$ 841,570	$ 841,570
Scheduled Air Carrier Rebate [1]	$ 0.02/gal		$ 591,443		$ 530,189
Pavement Preservation Fund [2]	25 %	$ 147,861		$ 132,547	
Available for MDT Aeronautics Operations		$ 669,079		$ 709,023	
Available for Grant Program			$ 225,497		$ 311,381
Projected Grant Requests from Community Airports			$ 2,500,000		$ 2,500,000
Funding Shortfall of MDT Aeronautics Grant Program			$ 2,274,503		$ 2,188,619

1) In 1993, the airlines successfully lobbied to receive a $.02/gal. rebate for all fuel purchased. The rebate is subtracted from the funds available for the grant program.
2) A Pavement Preservation Fund was established to provide funding to Montana's Primary airports (Billings, Great Falls, Helena, Bozeman, Missoula, Kalispell, Butte and Sidney) and is calculated at 25% of the total tax less rebate paid by the airlines. This amount is deducted from the MDT Aeronautics Operations revenues.

- Both federal funded and non-federal funded public use airports rely on MDT Aeronautics for supplemental funding in the form of loans and grants.

- A typical runway overlay paving project (100' x 5280') with a 15-20 year life span costs approximately $2.6 million. Many local communities, despite qualifying for FAA grant money, are unable to fund the 10% match for major projects like a runway overlay project. For non-federally funded airports the challenge is even greater. As a result, many necessary airport improvement projects at Community Airports are failing to move forward due to lack of available funding.

Funding for community airports has not been addressed for 20 YEARS. Project costs are significantly higher and funding has not kept pace.

MONTANA'S AVIATION FUEL TAX HISTORY AND CURRENT STATUS

LEGISLATIVE HISTORY

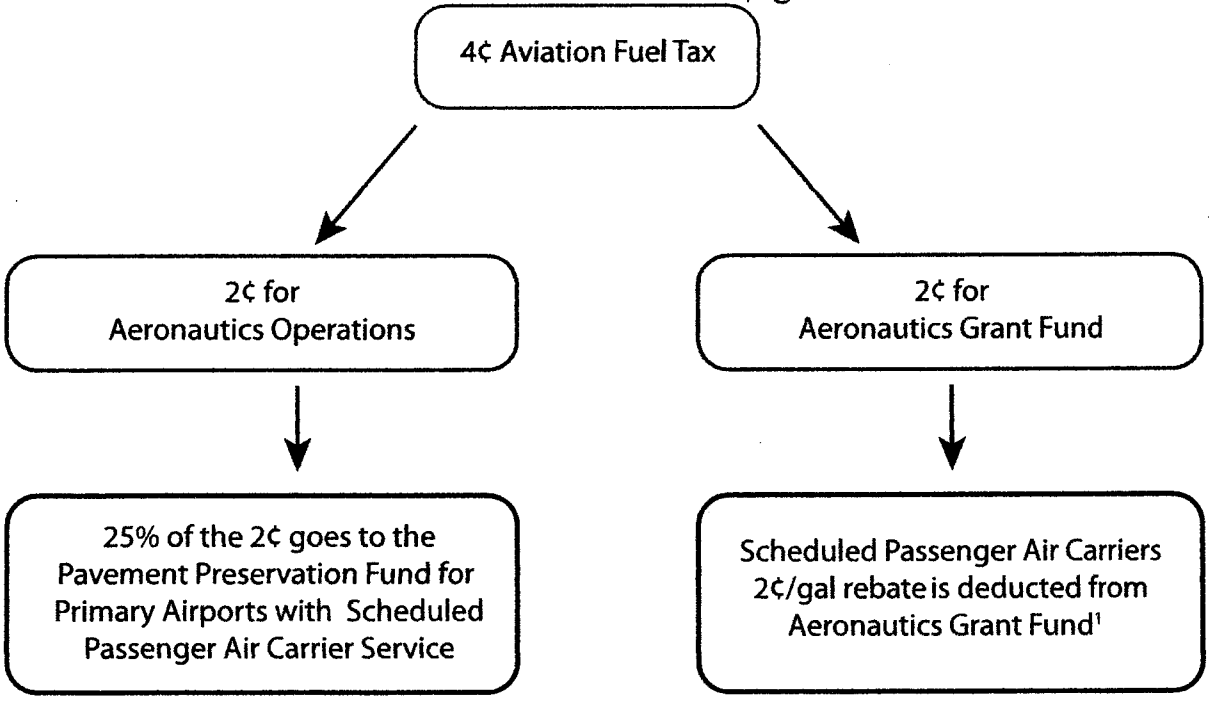
1945 - 1¢ for operations

1993 - 1¢ for loans & 1¢ for grants. **Scheduled Passenger Air Carriers eligible for 2¢/gal rebate of total paid.**

1999 - 1¢ added for Aeronautics Operations. (total now 4¢) and 25% of the now of 2¢ of MDT Aeronautics operations revenues going to a Pavement Preservation Program for Primary airports.

2001 - Sunset enacted for 1993 program for loan of 1¢ and became 1¢ for Grants.

Since 1999 the Aviation Fuel Tax has remained static at 4¢/gal. distributed as follows:


4¢ Aviation Fuel Tax
2¢ for Aeronautics Operations
2¢ for Aeronautics Grant Fund
25% of the 2¢ goes to the Pavement Preservation Fund for Primary Airports with Scheduled Passenger Air Carrier Service
Scheduled Passenger Air Carriers 2¢/gal rebate is deducted from Aeronautics Grant Fund[1]

1)

	Grant Fund	Airline Rebate	Available for Grant after Airline Rebate
FY19	$816,940	$591,433	$225,497
FY20	$841,570	$530,189	$311,381

MONTANA DEPARTMENT OF TRANSPORTATION
AERONAUTICS DIVISION

Supporting Safety, Education, Airports and Aviation in Montana

MDT Aeronautics provides critical funding support for Montana's Public Use Airports

The Aeronautics Division of the Montana Department of Transportation provides these vital services for Montana

- Airport Planning
- Airport Directory
- Safety Inspections of Airports
- Operation of Yellowstone Airport
- Airport Loan & Grant Program
- Air Search & Rescue
- Aviation Education
- Operation of 16 State Owned Airports
- Pilot Registration
- Aircraft Registration

In the preceding 5 years, MDT Aeronautics has fallen short $5,221,560 against Grant funding requests. As a result, community airports are shelving projects knowing that funding assistance is not available.

MDT Aeronautics FY19 and FY20 Projections

Revenue	FY19	FY20
Pilot Registration	$13,460	$13,460
Airport Inspections	$25,350	$25,350
Motor Fuel Tax	$65,281	$66,696
Aviation Fuel Tax	$1,633,880	$1,683,140
Aircraft Registration	$51,030	$51,030
Indirect Costs Recovery	$38,035	$44,173
Hangar Leases	$20,967	$21,659
MDT to supplement revenue [1]	$150,000	$150,000
Resale/Charts/Clinics/Tax Transfer/Misc.	$30,527	$36,497
	$2,028,530	$2,092,005
Expenses		
Personnel Services	$682,508	$783,031
Airline Refund	$591,443	$530,189
Pavement Preservation	$147,861	$132,547
Airport Grants	$266,479	$300,000
Search & Rescue	$21,025	$32,835
Required Maintenance		$110,000
Workshops	$10,099	$45,750
State Owned Airport Expense	$30,174	$30,760
Airport Improvements	$49,995	$32,333
State Aviation System Plan	$15,000	$19,167
Airport Inspections	$ 3,450	$ 3,266
Operating Expenses (rent/utilities/etc.)	$164,538	$164,838
Board/Newsltr/Directory/S&R/Inspection/Misc.	$44,789	$44,043
	$2,029,909	$2,228,459
Revenue less Expenses	($1,379)	($136,454)

1) MDT has been providing $150,000/year to MDT Aeronautics from a non-restricted highway fund. These funds may not be available in the future for MDT Aeronautics.

Unfunded Grant Projects FY15-19

	GRANT		
	Requested Amount	Available Amount	Funded (Unfunded)
FY15	$1,057,125	$425,000	($632,125)
FY16	$1,902,374	$325,000	($1,577,374)
FY17	$1,403,641	$260,000	($1,143,641)
FY18	$1,607,919	$232,500	($1,375,419)
FY19	$768,001	$275,000	($493,001)
Funds Not Available			($5,221,560)

AIRLINE REBATE PROGRAM

Passenger Air Carrier (Airlines) Rebate of 2¢/gal

In 1993, the lobby for scheduled airlines successfully lobbied the legislature to rebate the airlines 2¢ of the 4¢/gal fuel tax.

The Airlines Position:

1) They only use the Primary airports and should not have to subsidize general aviation airports.
2) They already pay numerous fees at the Primary airports.
3) Airlines will have to raise ticket costs.
4) Airlines will not fuel in Montana.
5) Airlines will pull out of Montana if not rebated the 2¢.
6) Montana travelers want lower fares, not higher taxes.

Response:

1) All taxpayers, individuals and corporations alike pay taxes for services we do not directly use. Allowing the scheduled airlines a rebate is inherently unfair and discriminatory against general aviation.

2) The type fees (e.g., landing, gate, etc.) imposed by scheduled airline airports are for the services and infrastructure of those individual airports and for the privilege of using those airports. These type fees are normal at airports across the country and have nothing to do with aviation fuel taxes.

3) A 2.5¢[1] increase in tax would add about 14¢ to the price of a ticket.

4) It is not economical for airlines to haul unnecessary fuel.

5) The majority of routes out of Montana feed hubs and have little competition. Ticket prices are typically much higher on a per mile basis vs more competitive routes and logic would suggest reasonably profitable.

6) Montana travelers pay 40% to 49% more than the national average[2]. WHY?

1- Airlines increase with HB661, $596,765 ÷ 4.2 million on/off in Montana = 14¢ per ticket.
2 - Testimony from two primary airport managers at Montana House Transportation Hearing March 20, 2019

SOLUTIONS

Montana Aviation Infrastructure and Education Investment Act
HOUSE BILL 661

1) Raise the aviation fuel tax 2.5¢ per gallon for a total 6.5¢ tax per gallon distributed as follows:
    a. 4.5¢ Aeronautics Grant Fund
    b. 2.0¢ MDT Aeronautics operations.
2) Sunset 1¢ of the Scheduled Passenger Air Carrier rebate in year 3.
3) Raise Aircraft Registration Fees 50%. Allocate 70% of the aircraft registration fees to the Aeronautic Grant Fund and 30% to MDT Aeronautics operations.
4) Sunset the Pavement Preservation Fund.

THE FINANCIAL EFECTS OF HB661

Current FY19	Net increases from HB661	Year 1	Year 2	Year 3
$ 266,479[1]	Grant Fund	$ 1,564,250	$ 1,564,250	$ 1,802,920
$ 754,665	Aeronautics	$ 297,832	$ 297,832	$ 297,832
$ 510,000	Aircraft Registrations	$ 255,000	$ 255,000	$ 255,000
	General Aviation	$ 687,075	$ 687,075	$ 687,075
	Airlines	$ 596,675	$ 596,675	$ 835,345

Current FY19	Source of Funds HB661	Year 1	Year 2	Year 3
$ 1,201,320	General Aviation	$ 1,888,395	$ 1,888,395	$ 1,888,395
$ 477,340	Airlines	$ 1,074,015	$ 1,074,015	$ 1,312,685

1- Current FY19 projections for the Grant Fund are lower than indicated on the attached worksheet due to one airline requesting rebates for a 3 year period of not taking the rebate. The state negotiated a payout over 5 years which reduced the grant fund by $245,773 in FY19 and $184,529 in FY20.

Funding at this level would allow the MDT Grant Fund to cover a significant portion of the required 10% local match for FAA Airport Improvement Projects. When available to community airports, these funds can be leveraged 9 to 1 in the FAA Airport Improvement Program. $1,564,250 In MT Aeronautics grant funds can become up to $15 million in airport improvements for Montana Community Airports and provide grant funds for those airports not in the FAA AIP program.

PILOTS FOR MONTANA AIRPORTS
CONTACT INFORMATION

This document is available for download at www.pilotsformontanaairports.com

Pilots for Montana Airports is a "grass roots" group of pilots from across the state who organized to solve the funding crisis at our community airports with the MDT Aeronautics Grant Program. Adequately funding this program to leverage nine Federal matching dollars with every one local dollar spent is a direct route to insure the viability of Montana's airports. **We need your support this legislative session.** Contact your local state legislators and ask them to support HB661.

Contact any of these Pilots for Montana Airports volunteers to see how you can help secure the future of Montana airports and Montana Aeronautics.

Doug Phair
doug@ramshot.com
406-951-3740

Pete Smith
mpaprez@gmail.com
406-366-1435

Scott Newpower
scnewps@gmail.com
406-670-3169

Terry Spath
terryspath@yahoo.com
503-812-0606

John McKenna
john@gomckenna.net
406-581-8234

Carmine Mowbray
clarity@cyberport.net
406-253-5700

Jerry Cain
sgr@linctel.net
406-461-5631

Walt McNutt
walt@midrivers.com
406-489-4966

HIGHWAYS AND TRANSPORTATION
EXHIBIT NO. 5
DATE 4/9/19
BILL NO. HB 661

Pilots for Montana Airports

"Dedicated to Making Montana Airports Great!"

FACT! Montana has been <u>subsidizing</u> passenger airlines 2¢ per gallon on aviation fuel since 1999.

FACT! The Aviation Fuel Tax has remained static at 4¢ per gallon since 1999.

FACT! Airlines tickets out of Montana are 40% to 49% higher than the national average[1].

FACT! Under HB661, the average ticket price would increase <u>13¢</u>[2]

FACT! The airlines serving Montana made over $12 BILLION in profits in 2018.

FACT! Infrastructure projects at many community airports fail to go forward due to lack of funds.

FACT! Construction costs today are 80% higher than 1999.

FACT! Aviation fuel tax rates at many other states are higher than Montana and some are seeking to increase their aviation fuel tax.

HB661 SUMMARY

	HB661	Current
Aviation Fuel Tax	Increase 2 ½¢ all users	Aviation fuel tax: 4¢ all users
Airline Subsidy (Rebate)	Yr. 1 & 2 – Retain 2¢ subsidy Yr. 3 - Sunset 1¢	Airline rebate is currently 2¢ of the 4¢ fuel tax **for passenger air carriers only**
Pavement Preservation Fund (PPF)	Sunset	The PPF is funded from MDT Aeronautics budget and calculated by taking 25% of the net amount of tax paid by airlines. PPF funds are distributed **only** to the primary airports.
Aircraft Registrations	**50%** increase on General Aviation aircraft registrations allocated 25% to MDT Aeronautics operations and 75% to Aeronautics Grant Fund.	90% of Aircraft Registration Fees are prorated back to the counties and 10% goes to MDT Aeronautics

1) Testimony of two primary airports managers during House Transportation Committee March 20, 2019.
2) Increase to airlines - $596,675 ÷ 4.2 million people on/off in Montana = 13¢.

THE FINANCIAL EFECTS OF HB661

Current FY19	Net increases from HB661	Year 1	Year 2	Year 3
$ 266,479[1]	Grant Fund	$ 1,564,250	$ 1,564,250	$ 1,802,920
$ 754,665	Aeronautics	$ 297,832	$ 297,832	$ 297,832
$ 510,000	Aircraft Registrations	$ 255,000	$ 255,000	$ 255,000
	General Aviation	$ 687,075	$ 687,075	$ 687,075
	Airlines	$ 596,675	$ 596,675	$ 835,345

Current FY19	Source of Funds HB661	Year 1	Year 2	Year 3
$ 1,201,320	General Aviation	$ 1,888,395	$ 1,888,395	$ 1,888,395
$ 477,340	Airlines	$ 1,074,015	$ 1,074,015	$ 1,312,685

1- Current FY19 projections for the Grant Fund are lower than indicated on the attached worksheet due to one airline requesting rebates for a 3 year period of not taking the rebate. The state negotiated a payout over 5 years which reduced the grant fund by $245,773 in FY19 and $184,529 in FY20.

Engineering firms serving Montana's community airports have identified **$146 million in infrastructure requirements** at participating federal airports in rural Montana over the next 2 to 5 years requiring $14 million or **$2.8 million per year in matching funds** (see attached). The majority of these projects are pavement construction and pavement maintenance.

Under HB661, General Aviation will contribute **64%** of the funds collected from the aviation fuel tax and registration fees supporting MDT Aeronautics and the Aeronautics Grant Program.

Projected impact to airline ticket prices from HB661.

The airlines would have you believe this is a huge increase, it will be devastating to air travel and cause loss of services. **Since 1993, 26 YEARS**....the airlines have had a great deal in Montana with a 2¢ rebate, paying ONLY 2¢ per gallon! The fact is, the impact is minimal.

Increase to airlines - $596,675 ÷ 4.2 million passengers on/off = 13¢ per ticket.

General Aviation is willing to pay a small increase in the aviation fuel tax and increase registration fees to insure infrastructure at our public-use airports will continue to be available for Air Ambulance, Fire Control and General Aviation.

Current Revenues from the Aviation Fuel Tax, Aircraft Registrations and Pavement Preservation Fund. Distributions to MDT Aeronautics, Aeronautics Grant Fund and Rebates to Airlines. Effects of HB661.

Gallons sold in Montana		41,150,000
Airlines	58%	23,867,000
General Aviation	42%	17,283,000

Current			Allocated as Follows:				Net Collections From	
Revenue collected and dispersed on behalf of MDT Aeronautics			MDT Aeronautics Grant Fund		MDT Aeronautics Operations		Airlines	General Aviation
Aviation Fuel Tax - Airlines	0.04	$ 954,680	0.02	$ 477,340	0.02	$ 477,340		
Rebate - Airlines	0.02	$ 477,340		$ (477,340)			$ 477,340	
Aviation Fuel Tax - GA	0.04	$ 691,320	0.02	$ 345,660	0.02	$ 345,660		$1,201,320
Aircraft Registrations		$ 510,000			10%	$ 51,000		
Pavement Preservation Fund	25%	$ 119,335				$ (119,335)		
Total				$ 345,660		$ 754,665		

HB661 Year 1			Allocated as Follows:				Net Collections From	
Revenue collected and dispersed on behalf of MDT Aeronautics			MDT Aeronautics Grant Fund		MDT Aeronautics Operations		Airlines	General Aviation
Aviation Fuel Tax - Airlines[1]	0.065	$ 1,551,355	0.045	$ 1,074,015	0.02	$ 477,340		
Rebate - Airlines	0.02	$ 477,340		$ (477,340)			$ 1,074,015	
Aviation Fuel Tax - GA[1]	0.065	$ 1,123,395	0.045	$ 777,735	0.02	$ 345,660		$ 1,888,395
Aircraft Registrations[2]		$ 765,000	70%	$ 535,500	30%	$ 229,500		
Pavement Preservation Fund[3]	N/A					$ -		
Total				$ 1,909,910		$ 1,052,500		
Net Increases				$ 1,564,250		$ 297,835	$ 596,675	$ 687,075
								$2,962,410
							36%	64%

HB661 Year 2			Allocated as Follows:				Net Collections From	
Revenue collected and dispersed on behalf of MDT Aeronautics			MDT Aeronautics Grant Fund		MDT Aeronautics Operations		Airlines	General Aviation
Aviation Fuel Tax - Airlines	0.065	$ 1,551,355	0.045	$ 1,074,015	0.02	$ 477,340		
Rebate - Airlines	0.02	$ 477,340		$ (477,340)			$ 1,074,015	
Aviation Fuel Tax - GA	0.065	$ 1,123,395	0.045	$ 777,735	0.02	$ 345,660		$ 1,888,395
Aircraft Registrations		$ 765,000	70%	$ 535,500	30%	$ 229,500		
Pavement Preservation Fund	N/A					$ -		
Total				$ 1,909,910		$ 1,052,500		
Net Increases				$ 1,564,250		$ 297,835	$ 596,675	$ 687,075

HB661 Year 3			Allocated as Follows:				Net Collections From	
Revenue collected and dispersed on behalf of MDT Aeronautics			MDT Aeronautics Grant Fund		MDT Aeronautics Operations		Airlines	General Aviation
Aviation Fuel Tax - Airlines	0.065	$ 1,551,355	0.045	$ 1,074,015	0.02	$ 477,340		
Rebate - Airlines[4]	0.01	$ 238,670		$ (238,670)			$ 1,312,685	
Aviation Fuel Tax - GA	0.065	$ 1,123,395	0.045	$ 777,735	0.02	$ 345,660		$ 1,888,395
Aircraft Registrations		$ 765,000	70%	$ 535,500	30%	$ 229,500		
Pavement Preservation Fund	N/A					$ -		
Total				$ 2,148,580		$ 1,052,500		
Net Increases				$ 1,802,920		$ 297,835	$ 835,345	$ 687,075

1) Aviation Fuel Tax is raised to 6.5¢ for Arilines and General Aviation
2) Aircraft Registration Fees are raised 50%
3) Pavement Preservation Fund is Sunset
4) Airline Subsidy (Rebate) is cut 1¢ Year 3

AIRPORTS WITH CAPITAL INVESTMENT PLANS IN THE NEXT 2 - 5 YEARS (AS OF MARCH, 2019)

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST ($)	LOCAL SHARE ($)
Lewistown	Pavement maintenance/rehab, SRE	$ 4,425,000	$ 442,500
Blaine County			
-Turner	Pavement maintenance/rehab	$ 2,660,667	$ 266,067
-Harlem	Pavement rehab	$ 1,950,000	$ 195,000
-Chinook	Pavement maintenance	$ 167,000	$ 16,700
-Hoagland	None		
Poplar	SRE, TW construction, Pavement maintenance	$ 1,695,400	$ 166,540
Lincoln County			
-Libby	Pavement rehab/maintenance	$ 2,265,000	$ 15,000
-Eureka	Pavement maintenance, taxilane construction, hangars	$ 802,223	$ 80,223
Hardin	SRE, AWOS, Pavement maintenance, Master Plan	$ 666,666	$ 66,667
Deer Lodge	RW extension, Pavement maintenance	$ 13,168,825	$ 1,315,686
Anaconda	Pavement maintenance, ramp reconstruction	$ 1,857,500	$ 185,750
Columbus	apron and taxiway construction	$ 1,134,888	$ 113,489
Stevensville	Pavement maintenance/rehab, lighting, taxiway construction,	$ 2,168,000	$ 216,800
Baker	Apron Expansion, Taxilane Construction, Pavement Mainteance	$ 3,346,400	$ 334,640
Big Timber	Pavement Mainteance, Fencing, SRE Building, Beacon	$ 650,000	$ 65,000
Broadus	AWOS, Lighting, Pvmt Maint, SRE	$ 889,000	$ 88,900
Circle	Pavement Rehabilitaiton, SRE	$ 3,155,000	$ 315,500
Rosebud County			$ -
-Colstrip	Pvmt Maint, Fencing, Fuel System	$ 615,000	$ 61,500
-Forsyth	Land Acquisition, Pvmt Maint, Fuel System, SRE, Fencing, Hangar	$ 1,603,800	$ 160,380
Ekalaka	Pvmt Maint, Approach Development	$ 455,000	$ 45,500
Glendive	Terminal, Pvmt Maint & Rehab.	$ 3,582,400	$ 358,240
Laurel	Pvmt Maint & Rehab, Access Road, Fencing, SRE, Land Acquisition	$ 3,935,700	$ 393,570
Lincoln	TW Construction, Pvmt Maint, AWOS Approach Development, Master Plan, SRE	$ 1,925,000	$ 192,500
Malta	Pvmt Maint, Lighting, Master Plan, Parallel Taxiway	$ 2,224,000	$ 222,400
Miles City	RW & TW Reconstruction, Pavmt Maint & Rehab, Fencing, NAVAIDS & Lighting, Hangar Modifications	$ 7,542,000	$ 754,200
Plentywood	AWOS, NAVAIDS, SRE, Pvmt Maint,	$ 1,122,000	$ 112,200
Sidney	Pvmt Maint, Fencing, NAVAIDS, Rehab RWs, TWs & Apron	$ 7,607,000	$ 760,700
Terry	Pvmt Maint, NAVAIDS, Land Acquisition, Fencing, Approach Development	$ 1,326,000	$ 132,600
Big Sandy	Pavement Maintenance, ALP Update, Construct Taxiway, Master Plan; AGIS Survey	$ 917,100	$ 91,710
Chester	Rehabilitate Runway, Taxiway & Apron, AWOS, Land Acquisition, Fencing, Master Plan; AGIS Survey	$ 769,300	$ 76,930
Conrad	Self-Service Fuel System; Environmental Assessment (EA). Land Acquisition; Rehabilitate Runway, Taxiway, and Apron; Perimeter Fencing; Construct Parallel Taxiway; Pavement Maintenance	$ 3,463,020	$ 346,302
Page 1 TOTAL		**$ 78,088,888**	**$ 7,593,193**

LOCATION	DESCRIPTION	TOTAL ESTIMATED COST ($)	LOCAL SHARE ($)
Cut Bank	Environmental Assessment (EA) and Master Plan Study. Reconstruct Taxiway C. Pavement Maintenance. Pavement Overlays; Construct Runway Extension and Turnaround; Airport Layout Plan. Rehabilitation Revenue Generating Hangar.	$ 4,138,000	$ 413,800
Dillon	Pavement Rehabilitation. Taxiway Lighting.	$ 4,869,000	$ 486,900
Ennis	Rehabilitate and Overlay Runway and Turnaround; Widen and Extend Runway; Hangar Access Taxilanes; Electrical Improvements; Wildlife Fencing; Rehabilitate Taxiway; Taxiway Lighting; Snow Removal Equipment; Rehabilitate Apron & Parallel Taxiway; Acquire Land; Apron Expansion; Extend Parallel Taxiway.	$ 14,936,000	$ 1,493,600
Ft. Benton	Rehabilitate Pavements; Snow Removal Equipment & Building, Revenue Hangar.	$ 1,268,800	$ 126,880
Hamilton	Rehabilitate & Expand Apron; Land; Runway and Taxiway construction; Access Road; Navigation Aids; Wildlife Fence	$ 13,172,000	$ 1,317,200
Harlowton	Rehabilitate Pavements; Revenue Generating Hangar; Hangar Access Taxilane.	$ 918,000	$ 91,800
Jordan	AWOS; Master Plan/AGIS.	$ 319,500	$ 31,950
Livingston	Pavement Maintenance, Perimeter Fencing, Snow Plow Equipment, Widen Runway Including Turnarounds, Lighting & AGIS Survey; T-Hangar, Hangar Acess Taxiway	$ 3,629,700	$ 362,970
Plains	Rehabilitate Pavements	$ 1,143,900	$ 114,390
Shelby	Fencing; Pavement Maintenance; Snow Removal Equipment.	$ 1,702,800	$ 170,280
Stanford	Rehabilitate Pavements	$ 2,250,000	$ 225,000
Thompson Falls	Rehabilitate Pavements; Pave Access Road.	$ 3,221,700	$ 322,170
Townsend	Rehabilitate Pavements	$ 2,700,000	$ 270,000
Twin Bridges	Hangar Access Taxilanes; Snow Removal Equipment & Building; Land; Perimeter Fencing; Rehabilitate Pavements; Apron Expansion; Construct Taxiway & Lighting; AWOS.	$ 3,165,000	$ 316,500
Choteau	Hangar Acquisition, SRE, Pavment Maintenance/Rehab	$ 2,900,000	$ 290,000
Glasgow	Drainage Improvements, T/W C Reconstruction, Electrical Vault, Master Plan Update	$ 3,250,000	$ 325,000
Havre	SRE Building, Pavement Maintenance	$ 1,350,000	$ 135,000
Scobey	ALP Update, Apron Reconstruction, Pavement Rehabilitaiton, Master Plan Update	$ 1,300,000	$ 130,000
White Sulphur Springs	Master Plan Update/AGIS Survey, Runway/Taxiway/Apron Overlay	$ 1,700,000	$ 170,000
			$ -
Page 2 TOTAL		**$ 67,934,400**	**$ 6,793,440**

GRAND TOTAL → **$ 146,023,288** **$ 14,386,633**

ANNUALIZED LOCAL SHARE REQUIRED → **$ 2,877,327**

NON-FEDERAL FUNDED AIRPORT INFRASTRUCTURE 2 TO 5 YEAR REQUIREMENTS. Local or grant funds are the only option for these airports. → **$ 50,000,000**

Shantil Siaperas

From: Todd Devlin <mtdevlin@gmail.com>
Sent: Sunday, April 07, 2019 8:57 PM
To: Shantil Siaperas
Subject: Fwd: Aviation Tax Rate?

SENATE Highways
Exhibit No. 6
Date 4/9/19
Bill No. HB 661

Please get copies for committee HB661

From: jesselman <jesselman@utah.gov>
Date: April 1, 2019 at 4:51:10 PM MDT
To: Todd Devlin <mtdevlin@gmail.com>
Subject: Re: Aviation Tax Rate?

Hi Todd,
For Utah, the excise tax is
$0.09 per gallon on either jet fuel and avgas.

Air carriers pay $0.04 per gallon.

At Salt Lake City airport the air carriers are entitled to a $0.015 refund.

Blue Skies,

Jared Esselman C.M. | ***Director of Aeronautics*** |
Division of Aeronautics
135 N 2400 W | Salt Lake City, UT 84116
Phone: 801.715.2262 | Cell: 385.321.4830
Jesselman@utah.gov

UDOT AERONAUTICS

Positive Altitude? Positive Attitude!

On Sun, Mar 31, 2019 at 10:49 AM Todd Devlin <mtdevlin@gmail.com> wrote:
Jared,

The Montana Association of Counties, General aviation, and small airports are supporting a bill going through our legislature right now to increase gas tax on aviation. The commercial airlines are really fighting against it.

I've been searching the web to find out what other states are doing to see if we are in

the "ball park". Seems some states give rebates that you can or can't find on web and such: or some tax does not apply. Confusing.

So could you tell me what the net gas tax (cents per gallon net) and sales tax on fuel (%) and what other tax on aviation fuel for BOTH General Aviation and Commercial Airlines? I just want accurate information for legislature.

Thank you so much.

Thank you for your time, Todd Devlin
Prairie County Commissioner
Federal Land Payments Chair - NACo
MACO Has Been

Shantil Siaperas

From: Todd Devlin <mtdevlin@gmail.com>
Sent: Sunday, April 07, 2019 9:00 PM
To: Shantil Siaperas
Subject: Fwd: Aviation Fuel Tax Colorado

Begin forwarded message:

From: "Shuck - CDOT, Bryce" <bryce.shuck@state.co.us>
Date: April 3, 2019 at 9:39:03 AM MDT
To: Todd Devlin <mtdevlin@gmail.com>
Subject: Re: Aviation Fuel Tax?

Todd,

Apologies for delayed response, I've been out of office this week.

In Colorado we have the following taxes
Excise tax of $0.04 per gallon on 100ll fuel (AvGas)
Excise tax of $0.06 per gallon on Jet Fuel (AvJet) - Commercial airlines are EXEMPT from this
Sales tax of 2.9% on Jet Fuel - Commercial airlines are NOT EXEMPT

There are some exemptions for Ag planes, that can file for 50% reimbursement on AvGas and AvJet Excise taxes, but they're extremely minor.

As a division we disburse 4 cents per gallon of the Excise back to the originating airport. For Sales Tax, that figure is 65%. So even though taxes are being paid to the state, the majority of those funds go straight back to the airport they originated at. So it get's reinvested at the airport they were generated.

Hope this helps, let me know if you have any other questions.

On Sun, Mar 31, 2019 at 10:43 AM Todd Devlin <mtdevlin@gmail.com> wrote:
Bryce,
The Montana Association of Counties, General aviation, and small airports are supporting a bill going through our legislature right now to increase gas tax on aviation. The commercial airlines are really fighting against it.

I've been searching the web to find out what other states are doing to see if we are in the "ball park". Seems some states give rebates that you can or can't find on web and such: or some tax does not apply. Confusing.

So could you tell me what the net gas tax (cents per gallon net) and sales tax on fuel

(%) and what other tax on aviation fuel for BOTH General Aviation and Commercial Airlines? I just want accurate information for legislature.

Thank you so much.

Thank you for your time, Todd Devlin
Prairie County Commissioner
Federal Land Payments Chair - NACo
MACO Has Been

--
Bryce Shuck
Business Manager

COLORADO
Department of Transportation
Division of Aeronautics

P 303.512.5250 | D 303.512.5253 | F 303.261-4145
5126 Front Range Parkway, Watkins, CO 80137
bryce.shuck@state.co.us | www.colorado-aeronautics.org | www.cotrip.org

Shantil Siaperas

From: Todd Devlin <mtdevlin@gmail.com>
Sent: Sunday, April 07, 2019 9:01 PM
To: Shantil Siaperas
Subject: Fwd: Aviation fuel tax? Washington state

Begin forwarded message:

From: "Johnson, Eric (Aviation)" <JohnsEL@wsdot.wa.gov>
Date: April 3, 2019 at 1:02:06 PM MDT
To: "mtdevlin@gmail.com" <mtdevlin@gmail.com>
Cc: "Fleckenstein, David" <FleckDa@wsdot.wa.gov>, "Hodgman, Robert" <HodgmaR@wsdot.wa.gov>, "Palumbo, Terri" <PalumbT@wsdot.wa.gov>
Subject: RE: Aviation fuel tax?

Hi Todd,

David is out of the office this week, but knowing all too well the tight time constraints when the legislature is in session, he has asked me to respond on his behalf.

The Washington State Department of Revenue has a good information page on aviation fuel sales available at https://dor.wa.gov/get-form-or-publication/publications-subject/tax-topics/aviation-fuel-sales

In Washington there is an eleven cents ($0.11) per gallon excise tax on aircraft fuel sold, delivered, or used in the state. RCW 82.42.020 Aircraft fuel tax imposed-Rate All of the funds collected from this excise tax are deposited in the aeronautics account which funds WSDOT Aviation's various programs.

There is a retail sales tax equal to six and five-tenths percent (6.5%) levied on the sale of aviation fuel. Currently all of these funds are deposited into the state's general fund. House Bill 1457 has been introduced in the legislature this year which proposes to reallocate one percent (1%) of the six and five-tenths percent (6.5%) from the general fund to the aeronautics account to be used for the state's airport aid grant program.

In Washington there are exemptions of the aviation fuel taxes when the fuel is used for agricultural purposes and aircraft fuel used by common or private carriers registered by the Department of Revenue for use in interstate or foreign commerce (i.e. airlines).

If you are interested in other sources of revenue that funds the aeronautics account in Washington, several years ago WSDOT Aviation conducted an Airport Investment Study and subsequent Airport Investment solutions. Information regarding the revenue to the aeronautics account is found in Chapter 3 beginning on page 16. Since the study was completed we have been successful in having legislation passed that reallocated all the aircraft excise tax funds collected from the general fund to the aeronautics account, where previously only 10% of the funds went to the aeronautics account. This reallocation initially added $637,000 per biennium to the aeronautics account.

Please feel free to contact me should you have any follow-up questions.

Best regards,

WSDOT Aviation
Eric Johnson
Construction & Grants Program Manager
(360) 848-7115 Office
(360) 848-7171 Fax

(360) 708-8970 Cell
www.wsdot.wa.gov/aviation

-----Original Message-----
From: Todd Devlin <mtdevlin@gmail.com>
Sent: Sunday, March 31, 2019 9:57 AM
To: Fleckenstein, David <FleckDa@wsdot.wa.gov>
Subject: Aviation fuel tax?

David,

The Montana Association of Counties, General aviation, and small airports are supporting a bill going through our legislature right now to increase gas tax on aviation. The commercial airlines are really fighting against it.

I've been searching the web to find out what other states are doing to see if we are in the "ball park". Seems some states give rebates that you can or can't find on web and such: or some tax does not apply. Confusing.

So could you tell me what the net gas tax (cents per gallon net) and sales tax on fuel (%) and what other tax on aviation fuel for BOTH General Aviation and Commercial Airlines? I just want accurate information for legislature.

Thank you so much.

Thank you for your time, Todd Devlin Prairie County Commissioner
Federal Land Payments Chair - NACo MACO Has Been

SENATE Highways
Exhibit No. 7
Date 4/9/19
Bill No. HB 661

HOUSE BILL 661

MR CHAIRMAN AND COMMITTEE

My name is Bob Hollister. I am a native Montanan and currently reside in Broadwater County, Montana. I have been a Montana Pilot for 45 years and served 26 years on the Rosebud County Airport Board and am currently serving my seventh year as a member of the Broadwater County Airport Board and am serving as the airport manager for the Canyon Ferry Airport.

There are 126 Airports in Montana and 62 of those airports are non-federally funded airports. The majority of these airports are used by Air Ambulances, Agriculture Aerial Spray Applicators, and Fire Fighters, as well as charter flights carrying doctors from our major hospitals to Montana's community hospitals for patient care.

Grant funding (used for maintenance) for these 62 non-federally funded airports, as well as the remaining 64 federally assisted funded airports, falls short of fulfilling the grant requests.

I am here asking you to support House Bill 661 which will assist in maintaining airport infrastructures in Montana which will ultimately aid in the safety and well being of all Montanans.

Thank you for your time.

SENATE Highways
Exhibit No. 8
Date 4/9/19
Bill No. HB 661

SMDC
Snowy Mountain Development Corporation

"Building Community and Economic Capital."

Mr. Chairman, Committee members

For the record, my name is Kathie Bailey. I am the Executive Director of Snowy Mountain Development Corporation a Certified Regional Development Corporation (CRDC) that serves the six counties in Central Montana including Judith Basin, Fergus, Petroleum, Musselshell, Golden Valley and Wheatland Counties.

As an economic developer, I can't emphasize enough how important air transportation infrastructure is to our businesses; our recreational tourists; for emergency services including fire, law, S&R and ambulance; our military operations and national security systems based out of central Montana; and our agricultural operations.

Our airports do not have the 10% local match or ability to fund these improvements with local funds. Communities are just "shelving" projects or not making the improvements due to the lack of funding. As a grant writer for local communities, we've written grant requests to the Montana Coal Board to help Musselshell County find the funds to conduct necessary upgrades such as replacing lights on their airport runways. Coal Country has so many needs. Having a basic air transportation system for the Signal Peak mine and the community should be the least of the county's worries.

Opponents may indicate that they should not have to subsidize general aviation airports if they only use Primary airports; but in coal country, it's clear to us that all taxpayers, individuals and corporations alike pay taxes for services that they do not directly use. The Coal Severance Tax is a clear example of that. It is important that we have air transportation across all of Montana so that businesses and communities across Montana can be successful.

This bill is an equalizing bill so that all of Montana rises economically. It is a bill that is trying to keep up to date financially with the inflationary factor of the past 20 years. It is a bill that leverages federal aviation administration funds. I urge you to support HB 661 to ensure that all Montana communities remain a viable destination for air travelers, for commerce for our large and small businesses in rural areas, for emergency services across the state and for our local, state and national security.

Sincerely,

Kathie A. Bailey

Kathie A. Bailey,
Executive Director

613 North East Main Street | Lewistown, MT 59457 | (406) 535-2591 | snowymtndev.com | smdcdist6@midrivers.com

SMDC is a 501(c)3 non-profit Economic Development District (EDD) and a Certified Regional Development Corporation (CRDC). SMDC is an equal opportunity provider, and employer. Complaints of discrimination should be sent to USDA Director, Office of Civil Rights, Washington, D.C. 20250-9410. Dial 7-1-1 for Montana Relay.

SENATE Highways
Exhibit No. 9
Date 4/9/19
Bill No. HB 661

March 19, 2019

House Transportation Committee
Montana Legislature
Helena, Montana

Members of the Transportation Committee,

The Fergus County Port Authority is Central Montana's economic development group appointed by our county commissioners. We have members and friends representing all segments of our community.

At last week's meeting, the Port Authority and guests unanimously agreed to support HB661 to revise aviation fuel taxation.

Our Lewistown Airport and community airports all across Montana are engines of economic growth and community development. The infrastructure of these airports is slowly deteriorating, and Montana has done a poor job of raising the necessary funds to match federal funds to insure that state airports receive necessary maintenance and upgrades. This has a dramatic impact on our communities and residents, whether or not we are pilots.

HB661 addresses that and is a request from those who use our state's airports to raise their user fees to insure that they can safely and confidently continue to use those airports.

In Lewistown, we understand the concern of our large cities and their airports about this bill. We are customers of the airports of Billings, Bozeman and Great Falls. The impact of this bill is pennies on the airfares we pay to fly out of Montana.

But HB661 would be millions of dollars for the maintenance of airports in Montana's rural communities, airports which are struggling to maintain their services to their communities and their pilots.

The Fergus County Port Authority joins the City of Lewistown and Fergus County in pleading with you to support HB661 and the dramatic improvement it would make possible for Montana aviation.

Sincerely,

Bret Carpenter, Chair
Dave Byerly, Vice Chair
Members of friends, Fergus County Port Authority
Lewistown, Montana

SENATE Highways
Exhibit No. 10
Date 4/9/19
Bill No. HB 661

DIANE OLDENBURG
DAVE BYERLY
Ward One Commissioners

PATTY TURK
DIANA HEWITT
Ward Two Commissioners

ALEXZANDRA DUNNINGTON
GAYLE DONEY
Ward Three Commissioners

CLINT LOOMIS
At-Large Commissioner

HOLLY PHELPS
City Manager

NIKKI BRUMMOND
Finance Director/City Clerk

CITY OF Lewistown MONTANA

JIM DANIELS
Park and Recreation Director

MONTE BOETTGER
City Attorney

CORY BIRDWELL
Police Chief

JOE WARD
Fire Chief

JR KILLHAM
Public Works Director

DANIELLE BUEHLER
Library Director

CATHY BARTA
Planning Director

305 W. Watson, Lewistown, Montana 59457
(406) 535-1760 Fax (406) 535-3323

April 9, 2019

Members of the Senate Transportation Committee;

I am Holly Phelps, the City Manager for the City of Lewistown. I am writing in support of HB 661. The Lewiston Municipal Airport is owned by the City of Lewistown and Fergus County. The Airport uses funds generated through Airport leases to operate and this is a struggle. Aviation fuel taxes have not been increased in many years, meanwhile the cost of construction continues to go up and the required match was increased from 5% to 10%. This increasing cost comes back on the Airport that is already struggling to keep their airport functional. Our airport it essential for our community. It provides medical flights and aid in our ability to fight fires in our state.

For these reasons the Lewistown City Commission unanimously voted to approve a Resolution of support HB 661.

Thank you for your time and please vote yes on HB 661.

Sincerely,

Holly Phelps
City Manger

MOTOR CARRIERS of Montana

501 NORTH SANDERS #201 HELENA MT 59601 406-442-6600 FAX 406-443-4281 www.mttrucking.org

April 1 , 2019

SENATE Highways
Exhibit No. 11
Date 4/9/19
Bill No. HB 661

Honorable Chairman Vance.
Honorable Members of the Senate Transportation Committee

RE:HB 661
Montana Jet Fuel Tax

Chair Vance, Members of the committee, when this bill was passed out of the House Transportation committee it was vaunted as a compromise bill. There was no compromise on this as the opponents were not invited to the party.

We are asking that you kill this bill or at a minimum make it sort of a compromise by including cargo air in the rebate program.

MCM, UPS, and FedEx along with the other commercial air carriers who serve Montana, are opposed to House Bill 661, which would introduce a substantial increase to the jet fuel taxes in Montana.

- Jet fuel is one of the largest costs of any airline, and a major factor airlines use when determining where they fly and how often they fly to certain destinations.
- The product inside the bellies of cargo aircraft could include everything from life-saving medical devices and medicine, to high-tech products and just-in-time replacement parts.
- Cargo carriers examine their routes like passenger carriers do, with one of the factors being the cost to operate. Lower operating costs encourage carriers to provider higher-quality service, which in the case of cargo carriers affects the time-in-transit. Inferior service into an area can cause shipments to take longer to arrive.
- Commercial air cargo carriers are already in an inequitable tax position in Montana, as they are not included in the existing "jet fuel rebate" enjoyed by the passenger air carriers.
    - In order to make this equitable, please modify **Section 15-70-425 MCA. Refund or credit authorized** (Section 6 of HB 661) to include cargo carriers, as follows: (6) A scheduled passenger air or cargo air carrier certified under 14 CFR, part 121 or 135, may claim a refund of 2 cents on each gallon of aviation fuel purchased by the carrier on which the Montana gasoline tax has been paid....

Please consider this when you hear testimony on HB 661

Respectfully,
Spook
EVP of Motor Carriers of Montana

66th LEGISLATURE
2019 SESSION

Additional Documents

Business Page

Roll Call

Standing Committee Reports

Table Bills

Fiscal reports

Tabled Bills

Roll Call Votes

Proxies

Witness Statements

Informational items

Visitor Registrations

Any Document or material presented after the meeting for example@ petitions, news clippings ectara.

These documents prepared, proofed and scanned by Susie Hamilton E-Document Specialist for Senate and House for the 66th LEGISLATURE 2019 SESSION. Room 402 Capitol Hill Station, Helena Montana

BUSINESS REPORT

MONTANA SENATE
66th LEGISLATURE - REGULAR SESSION

SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Date: Tuesday, April 9, 2019
Place: Capitol

Time: 3:00 PM
Room: 405

BILLS and RESOLUTIONS HEARD:

HB 661 - Revise aviation fuel taxation - Rep. Geraldine Custer (R)
HB 717 - Establish the Louis Charles Charlo memorial highway - Rep. Marvin Weatherwax (D)
HB 719 - Establish the Jeannette Rankin memorial highway - Rep. Kimberly Dudik (D)
HB 748 - Establish the Minnie Spotted-Wolf memorial highway - Rep. Jade Bahr (D)
HB 756 - Establish the Dolly Smith Akers memorial highway - Rep. Bridget Smith (D)

EXECUTIVE ACTION TAKEN:

HB 717 - BE CONCURRED IN
HB 719 - BE CONCURRED IN
HB 748 - BE CONCURRED IN
HB 756 - BE CONCURRED IN

Comments:

SEN. Gordon Vance, Chair

MONTANA STATE SENATE
ROLL CALL
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4/9/19 2019

NAME	PRESENT	ABSENT/ EXCUSED
Chairman Vance	✓	
Vice Chair Fitzpatrick		✓
Vice Chair Boland	✓	
Senator Bennett		✓
Senator Brown	✓	
Senator Esp	✓	
Senator Gross		✓
Senator Sands	✓	
Senator Webb	✓	
Senator Welborn		✓

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Highways and Transportation** report that **House Bill 719** (third reading copy -- blue) **be concurred in**.

Signed: _____
Senator Gordon Vance, Chair

To be carried by Senator Diane Sands

- END -

Committee Vote:
Yes 10, No 0
Fiscal Note Required __

HB0719001SC13941.slk

SENATE STANDING COMMITTEE REPORT

April 9, 2019

Mr. President:

We, your committee on **Highways and Transportation** report that **House Bill 756** (third reading copy -- blue) **be concurred in**.

Signed: _____
Senator Gordon Vance, Chair

To be carried by Senator Diane Sands

- END -

Committee Vote:
Yes 10, No 0
Fiscal Note Required __

HB0756001SC13941.slk

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Highways and Transportation** report that **House Bill 717** (third reading copy -- blue) **be concurred in**.

Signed: _____
Senator Gordon Vance, Chair

To be carried by Senator Duane Ankney

- END -

Committee Vote:
Yes 10, No 0
Fiscal Note Required __

HB0717001SC13799.slk

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Highways and Transportation** report that **House Bill 748** (third reading copy -- blue) **be concurred in.**

Signed: _____
Senator Gordon Vance, Chair

To be carried by Senator Susan Webber

- END -

Committee Vote:
Yes 10, No 0
Fiscal Note Required __

HB0748001SC16526.slk

SENATE PROXY

I, Senator Bennett, hereby authorize Senator Boland to vote my proxy before the Senate meeting held on 4/16, 2019.

Senator Signature

4/16/19
Date

Said authorization is as follows: *(mark only one)*

- ☒ All votes, including amendments.
- ☐ All votes as directed below on the listed bills, and all other votes.
- ☐ Votes only as directed below.

Bill No./Amendment No.	Aye	No

SENATE PROXY

I, Senator Dee Brown, hereby authorize Senator Vance to vote my proxy before the Senate Highways meeting held on 4/9/19, 2019.

Dee Brown
Senator Signature

4/9/19
Date

Said authorization is as follows: *(mark only one)*

- ☐ All votes, including amendments.
- ☐ All votes as directed below on the listed bills, and all other votes.
- ☐ Votes only as directed below.

Bill No./Amendment No.	Aye	No

SENATE PROXY

I, Senator Esp, hereby authorize Senator Vance to vote my proxy before the Senate Highways meeting held on 4/9/19, 2019.

Senator Signature — 4/9/19 Date

Said authorization is as follows: *(mark only one)*

- ☑ All votes, including amendments.
- ☐ All votes as directed below on the listed bills, and all other votes.
- ☐ Votes only as directed below.

Bill No./Amendment No.	Aye	No

SENATE PROXY

I, Senator Fitzpatrick, hereby authorize Senator Vance to vote my proxy before the Senate Highways meeting held on 4/9/19, 2019.

S A Vance
Senator Signature

4/9/19
Date

Said authorization is as follows: *(mark only one)*

- ☑ All votes, including amendments.
- ☐ All votes as directed below on the listed bills, and all other votes.
- ☐ Votes only as directed below.

Bill No./Amendment No.	Aye	No

SENATE PROXY

I, Senator Welborn, hereby authorize Senator Vance to vote my proxy before the Senate Highways meeting held on 4/9/19, 2019.

Jeff Welborn
Senator Signature

4/9/19
Date

Said authorization is as follows: *(mark only one)*

- ☑ All votes, including amendments.
- ☐ All votes as directed below on the listed bills, and all other votes.
- ☐ Votes only as directed below.

Bill No./Amendment No.	Aye	No

SENATE PROXY

I, Senator Gross, hereby authorize Senator Boland to vote my proxy before the Senate _____ meeting held on 4/9, 2019.

Senator Signature

4/26/2019
Date

Said authorization is as follows: *(mark only one)*

- ☒ All votes, including amendments.
- ☐ All votes as directed below on the listed bills, and all other votes.
- ☐ Votes only as directed below.

Bill No./Amendment No.	Aye	No

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Tuesday, April 9, 2019
HB 719 - Establish the Jeannette Rankin memorial highway
Sponsor: **Rep. Kimberly Dudik (D)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Rep. Kimberly Dudik	HD 94	✓		
Rep. Bridget Smith	HD 31	✓		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Tuesday, April 9, 2019
HB 756 - Establish the Dolly Smith Akers memorial highway
Sponsor: **Rep. Bridget Smith (D)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Rep Bridget Smith	HD 31	X		
Rep Kimberly Dudley	HD 94	X		
Sharon Smith	Coalition for Adoption	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Tuesday, April 9, 2019
HB 717 - Establish the Louis Charles Charlo memorial highway
Sponsor: **Rep. Marvin Weatherwax (D)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Gary White	American Legion	X		
ROGER A. HAGAN	AM LEGION / MTNG ASSNS	X		
Cinda Burd	Montana Native Vote	X		
Raymond Burd	American Legion / M+M Mens	X		
Jordan Thompson	CS&G	X		
Josh Smith	Gov's Office	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Tuesday, April 9, 2019
HB 748 - Establish the Minnie Spotted-Wolf memorial highway
Sponsor: **Rep. Jade Bahr (D)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
~~American Legion~~ GARY WHITE	American Legion	X		
ROGER A. HAGAN	AM LEGION / MTNG ASSNS	X		
Cinda Burd	Montana NativeVote	X		
Raymond Read	American Legion / MMM	X		
~~Rep Marvin Weatherwax~~	District 15 / ~~Blackfeet Tribe~~	X		
Jason Smith	Gov's Office	X		
Jordan Thompson	CSKT	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Tuesday, April 9, 2019
HB 661 - Revise aviation fuel taxation
Sponsor: **Rep. Geraldine Custer (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
John Semple	Assoc. of MT Aerial Applicators	X		
WACT McDOTT	SELF	X		
Roger Lincoln	Self	X		
Jim Conway	MDT-AERO			X
Barry Holzkoath	SELF	X		
Spank Stem	MCM		X	
BOB HOLLISTER	CANYON FERRY APT.	X		
Greg Smith	Assoc of MT Avia Applicators FBO	X		
Jason R. Hal	MACo	X		
Todd Devlin	MACo / Prairie Co	X		
Ron Looper	Neptune Aviation	X		
Brian Myhre	Century Co Inc	X		
Pete Smith	MPA & HWT AP	X		
Tricia McKenna	Aeronautics	X		
JON HUDSON	self, MPA	X		
Rob Buckles	Aero Board	X		
Katie Pribyl	self	X		
Shane Gorder	Richland County Com.	X		
Dana Debel	Delta Air Lines		X	
Joe Hughes	American Airlines		X	
Jeff Wadekamper	Helena Airport		X	
Brian Ellestad	Missoula Airport		X	
BRIAN SPRENGER	BOZEMAN AIRPORT		X	
Lava Tait	Great Falls Airport		X	

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Tuesday, April 9, 2019
HB 661 - Revise aviation fuel taxation
Sponsor: **Rep. Geraldine Custer (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Bob Gilbert	M.A.T.A		X	
Jonathan Jackson	Allegiant		X	
Ed BARTLETT	BOZEMAN + BILLINGS CHAMBERS		X	
Tim Burton	DLCT	X		
David Smith	MCA	X		
Aidan Mylne	A4A		X	
DARRIN Hall	United Airlines	/	X	
Bob Gray	Mayor		X	
Stuart Doggett	MLIBB		X	
Larry Flynn	MDT			X

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

allegiant

MONTANA PASSENGERS

ALLEGIANT BEGAN MONTANA SERVICE IN 2005

Additional Documents
SENATE: Highways & Transportation
Date: 4/9/19
Bill No. HB 661

2005 — 19K

2008 — 201K

2018 — 323K

ALLEGIANT FLIES

16 ROUTES INTO MONTANA

11 Routes With NO NONSTOP COMPETITION

LOW FARES stimulate new travelers

$236
AVERAGE BASE FARE* into Montana with other airlines

$67
ALLEGIANT'S AVERAGE BASE FARE* INTO MONTANA

*Base Fares do not include government taxes & fees nor ancillary costs like baggage & seating

Domestic routes only Q3-17 through Q3-18

Routes as of February 12, 2019. Some routes may be seasonal, subject to change.

Additional Documents
SENATE: Highways & Transportation
Date: 4/9/19
Bill No. HB 661

The Honorable Gordan Vance
Senate Highways and Transportation Committee
1301 East 6th Avenue
State of Montana State Capitol
Room 405
Helena, MT 59620-0801

April 9, 2019

Dear Chairman Vance:

We write to respectfully oppose HB 661, which could have the unintended consequence of either driving up the cost of air travel for passengers flying in and out of Montana or reducing air service, neither of which would be good for Montana's travel and tourism industry. HB 661 would eliminate the current refunding mechanism for a portion of taxes paid on aviation fuel purchased by airlines in Montana and substantially raise the excise tax on that fuel, resulting in a significant tax increase on air carriers, passengers, and shippers traveling in and out of Montana.

Statistics show that that during difficult financial times for the airline industry from 2005-2011, Montana saw the number of scheduled seats substantially decline by 26%. But, as financial conditions improved over the last seven years, the supply of scheduled seats grew by 33%. The number of scheduled seats departing Bozeman, Billings, Kalispell, Missoula and West Yellowstone higher than they were in 2005. It is clear that a strong, healthy commercial airline industry is critical to the success of travel and tourism in Montana. As you can imagine, airlines get a seemingly unlimited number of requests every year from airports to provide service on new or expanded routes. The cost associated with providing service in every market are analyzed very closely, including the current and potential tax burden. Why unnecessarily put opportunities to expand – or retain – service at risk?

As the second largest industry expense behind labor, airlines are sensitive to jet fuel prices and jet fuel taxes. Lower costs and a favorable tax environment help the bottom line and enable airlines to keep fares affordable, grow air service, and create jobs. For example, North Carolina eliminated its state jet fuel tax at the start of 2016 and air service growth accelerated as a result. From 2013 through 2015, flight departures actually shrank 5 percent while seat growth was flat. By contrast, after the tax repeal, annual flight departures grew 3.2 percent while seats grew 7.4 percent from 2015 to 2018.

Pro-growth states seeking to increase opportunities to retain and expand air service and keep passenger costs low are going in the opposite direction of what HB 661 propose to do. In addition to North Carolina joining Texas and other states in eliminating their tax on jet fuel, Georgia

and Florida have in recent years reduced their taxes and are close to a zero tax. These states recognize that a healthy commercial aviation system does not need a jet fuel tax at all in order to function smoothly, and that commercial airline passengers – many of whom are your constituents - should not be subsidizing general aviation airports through increased jet fuel taxes. Some examples of where airlines are making substantial investments in Montana airports include:

- Bozeman is starting $30 million expansion this spring and a $20 million baggage project next summer once the first project is complete.

- In the next few years Glacier Park will start a $4 million apron project as an enabling project for the larger terminal expansion project. That $61 million terminal expansion will happen over the next 3 years or so.

- In Billings $57 million in new concourse facilities will meet the estimated demand for next 15-20 years and will expand number of jet bridges from 5 to 8.

- Missoula will complete a $111 million rebuild of facility and expansion of gates.

- Helena will complete an $11 million terminal expansion and new concessions and expanded TSA checkpoint.

Passengers want lower taxes and more options. We would encourage you to support an expanded travel and tourism economy by opposing HB 661.

Additional Documents
SENATE: Highways & Transportation
Date: 4/9/19
HB 661

Thank you Mr. Chairman and fellow Committee members.

My name is Brian Ellestad, Deputy Director for Missoula International Airport,
I speak before you today in opposition to this bill.

First of all, I want to say that we are not opposed to supporting Montana Aeronautics. We also see a bit of mission creep in this proposed bill.

Great progress has been made over the years by communities and airports across the state recruiting additional service which lowers airfare. Montana or any nationwide business will tell you that lowering airfare is one of the most important ingredients in getting businesses to relocate to their community

Getting multiple airlines to serve your community is really the key to lowering airfare, more competition brings lower airfare, multiple case studies prove this point. In Missoula we partnered with the business community and were able to get American service to both Dallas and Chicago in June of last year.

Based on analysis we have done, we calculated it saved our consumers over $2.8 million dollars for the first 3 months of service—we would hate to see that work undone.

Montana flight lengths are much longer—which drives much more fuel, we compete at a national level for air service.

Let us help Aeronautics by keeping the fuel rebate, which keeps a tool in our tool box which helps drive more frequency and larger aircraft—which will drive more fuel volume which in turn creates more revenue.

5225 HWY 10 WEST – MISSOULA, MT 59801 TELE: 406.728.4381 FAX: 406.549.6103

Missoula
INTERNATIONAL AIRPORT

Because of additional service, thus far in 2019 our airlines are 31% ahead of last year in volume—we are projecting over 7 million gallons in fuel sales in 2019 , 5.5 million gallons just from the airlines. Our peer airports are experiencing similar increases.

North Carolina recently eliminated the fuel tax, Asheville and Raleigh Durham make almost weekly new air service announcements.

By increasing this tax, you hurt other state revenue streams including taxes raised through car rentals, will have trickle effect on other revenue streams as well.

I echo what other commercial airports have said today that we define what Montana Department of Aeronautics "needs" rather than what they "want."

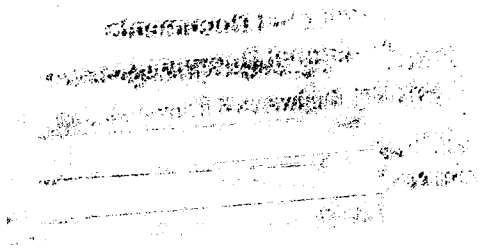
I will also let you know that before I joined the Missoula Airport, I did work at an airline in their Route Planning department so I can tell you first hand that fuel costs do go in in their route selection formula—that is why this discussion is so important.

Happy to be available for questions.

Notes:

2018 fuel sales. (4,488,900 airlines, 1,811,152 GA, 6.3 M Total)

5225 HWY 10 WEST – MISSOULA, MT 59801 TELE: 406.728.4381 FAX: 406.549.6103



Combined Effective Commercial Jet Fuel Tax Rates and Fees per Gallon by State
(ranked from most to least burdensome)

Rank	State	Airport	Effective Rate (cpg)
1	Illinois	ORD	35.8
2	California	LAX	27.2
3	Connecticut		26.4
4	Arkansas	LIT	25.8
5	Kansas	ICT	22.5
6	Vermont	BTV	21.0
7	Michigan		20.4
8	West Virginia		15.2
9	Hawaii	HNL	15.1
10	Tennessee		14.9
11	New Mexico	ABQ	14.2
12	Colorado	DEN	12.7
13	Massachusetts		12.2
14	Louisiana		12.1
15	North Dakota		8.0
16	Idaho		7.0
17	Iowa		6.0
18	South Dakota		6.0
19	Mississippi		5.3
20	Wyoming		5.0
21	Florida*		4.9
22	Montana		4.8
23	Alabama		4.5
24	Maine		4.2
25	Nevada	LAS	4.0
26	Kentucky		3.4
27	Missouri		3.3
27	Nebraska		3.3
29	Alaska		3.2
30	Oregon		3.0
30	Pennsylvania		3.0
30	Utah	SLC	3.0
33	Minnesota		2.7
34	Washington	SEA	2.4
35	Wisconsin		2.0
36	Virginia		1.1
37	Oklahoma		1.1
38	Georgia		1.0
38	Indiana		1.0
40	Arizona	PHX	0.8
41	South Carolina		0.8
42	New Hampshire		0.6
43	New York		0.5
44	New Jersey		0.4
45	North Carolina	CLT	0.3
46	Rhode Island		0.1
47	Maryland		0.1
48	Delaware		0.0
48	Ohio		0.0
48	Texas		0.0

If HB 661 becomes law, Montana's effective tax rate would rise to 14.8 cpg, and the state would jump ahead of New Mexico to have the 11th heaviest tax burden on jet fuel in the country.

Notes: Calculations are from A4A tax departments and based on state and local taxes and fees as of January 1, 2019 (except for Florida, which uses the state's new rate that goes into effect on July 1, 2019). The calculations assume 50 million gallons of fuel purchased annually at $3 per gallon. Rates may include excise taxes, sales taxes, environmental taxes or fees, inspection taxes or fees, and adjustments, such as caps and burn rates. Airports are specified for states that have varying local rates.

Rates are given in cents per gallon (cpg).

1275 Pennsylvania Ave, NW Suite 1300 Washington, DC 20004 T 202.626.4000 W airlines.org

Please vote NO on HB 661
A 175% tax increase on passenger airlines

Additional Documents
SENATE: Highways & Transportation
Date: 4/9/19
Bill No. HB 661

Commercial aviation is helping Montana thrive through travel, tourism and good paying jobs. Why put all of that at risk by unnecessarily making Montana a high tax burden state?

- Scheduled air service levels to the state are currently the highest they've been this decade – higher taxes will dampen service growth or could result in service cuts, as airlines elect to deploy their capacity elsewhere.

This bill would impose an enormous, unneeded tax increase on airlines, passengers and shippers:

- The tax on jet fuel would jump from 2 to 4.5 cents per gallon (cpg) in 2019 for passenger carriers and then rise again in 2021 to 5.5 cpg, a 175% increase compared to today
- For cargo carriers, the tax would rise from 4 to 6.5 cpg, a 63% tax increase
- Montana would become the 16th *worst* among all 50 states for overall tax burden on jet fuel

The flying public wants low fares, not higher taxes:

- Last year (year-end June 2018), the average one-way domestic airfare to/from Montana including paid ancillary fees was $221, the lowest it's been since 2005 after adjusting for inflation
- Recently, Montana airfares have declined 10 percent on average since 2015

Airlines, passengers and shippers already pay for the vast majority of Montana airport operations via rents, landing fees, parking fees, concessions, ticket taxes and cargo waybill taxes. They should not be forced to pay for airports they will never use.

Passenger airline landing fees	**$ 2,874,352**
Terminal arrival fees - rents - utilities	**7,027,293**
Other passenger aeronautical fees	**584,976**
Landing fees from cargo	**793,870**
Landing fees from GA and military	**352,299**
FBO revenue - contract or sponsor-operated	**701,712**
Cargo and hangar rentals	**914,599**
Fuel sales net profit/loss or fuel flowage fees	**595,839**
Security reimbursement from U.S. government	**419,530**
Other non-passenger aeronautical revenue	**722,483**
Total Aeronautical Revenues at Montana Airports in 2017	**$ 14,986,953**

- General aviation landing fees and revenues from fixed based operators (FBO) only accounted for 7 percent of total state aeronautical revenues (source: FAA).
- General aviation operations accounted for 62 percent of the state's total (source: FAA Opsnet)
    - Military 5%; commercial airlines 33%

Commercial aviation is a critical economic engine in Montana that supports local businesses and brings non-residents to the state. According to a Federal Aviation Administration (FAA) economic impact study, commercial aviation supports:

- $1.3 billion in annual gross state product for Montana – nearly 3% of the state's economy
- Nearly 21,000 jobs and $655 million in annual payroll
- Direct airline jobs pay well – the average U.S. passenger airline annual wage was 47 percent higher than the U.S. private sector average

<u>Tourism</u> is one of Montana's leading industries: non-resident visitor spending supports the local economy, jobs and tax receipts. Non-resident visitor footprint in 2017:

- 12.2 million non-resident visitors
- $3.7 billion in non-resident spending
- $228 million in state/local tax receipts
- Visitors supported nearly 59,000 jobs and $1.5 billion in payroll

MINUTES

MONTANA SENATE
66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON HIGHWAYS AND TRANSPORTATION

Call to Order: Chair Gordon Vance, on April 11, 2019 at 3:15 PM, in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Gordon Vance, Chair (R)
Sen. Carlie Boland, Vice Chair (D)
Sen. Steve Fitzpatrick, Vice Chair (R)
Sen. Bryce Bennett (D)
Sen. Dee Brown (R)
Sen. John Esp (R)
Sen. Jen Gross (D)
Sen. Diane Sands (D)
Sen. Roger Webb (R)
Sen. Jeffrey W. Welborn (R)

Members Excused: None

Members Absent: None

Staff Present: Noah Horan, Committee Secretary
Jacelyn Stewart, Committee Secretary
Laura Sankey Keip, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted:	HB 412, 4/9/2019; HB 764, 4/9/2019; HJ 16, 4/9/2019; SJ 22, 4/9/2019; SR 45, 4/9/2019
Executive Action:	HB 389, Be Concurred In as Amended HB 764, Be Tabled HB 412, Be Tabled SR 45, Be Adopted HJ 16, Be Concurred In SJ 22, Do Pass HB 661, Be Concurred In as Amended

HEARING ON SJ 22

Opening Statement by Sponsor:
16:16:39 Sen. Dee Brown (R), SD 2, opened the hearing on SJ 22, Provide for interim study of chloride-based de-icers.

Sen. Bennett entered the hearing.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:
16:17:44 Sen. Brown

HEARING ON HJ 16

Opening Statement by Sponsor:
16:17:58 Rep. Christopher Pope (D), HD 65, opened the hearing on HJ 16, Interim study of electric transportation.

16:18:12 Sen. Brown left the hearing.

16:20:08 Sen. Welborn entered the hearing.

Proponents' Testimony:
16:21:25 Brian Fadie, Montana Environmental Information Center
16:22:19 Laura Rennick, Energy Bureau chief, Department of Environmental Quality
16:22:55 John MacDonald, Alliance of Automobile Manufacturers

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
16:23:35 Sen. Sands
16:23:47 Rep. Pope

Closing by Sponsor:
16:24:13 Rep. Pope

16:25:19 Sen. Boland assumed the Chair.

16:25:25 Sen. Esp entered the hearing.

HEARING ON SR 45

Opening Statement by Sponsor:
16:25:45 Sen. Gordon Vance (R), SD 34, opened the hearing on SR 45, Confirm Governor's appointees to the Transportation Commission.
EXHIBIT(his76a01)

Proponents' Testimony:
16:28:04 Tammi Fisher, Governor's appointee
16:29:35 Michael Hope, Governor's appointee

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
16:31:25 Sen. Sands
16:31:42 Mr. Hope, appointee
16:32:28 Sen. Sands
16:32:41 Ms. Fisher, appointee
16:33:52 Sen. Welborn
16:37:06 Mr. Hope

Closing by Sponsor:
16:37:20 Sen. Vance

16:38:32 Sen. Vance resumed the Chair.

HEARING ON HB 412

Opening Statement by Sponsor:
16:38:59 Rep. Bradley Hamlett (D), HD 23, opened the hearing on HB 412, Change the opt-in for TBI to an opt-out on vehicle registration forms.

Proponents' Testimony:
16:43:25 Rep. Jonathan Windy Boy, HD 32
16:45:46 John Bigart, executive director, Brain Injury Alliance (BIA)
EXHIBIT(his76a02)

16:51:09 Rep. Denley Loge, HD 14
16:52:20 Drew Geiger, Montana Speech-Language-Hearing Association
EXHIBIT(his76a03)

16:52:49 Anana DelNegro, Brain Injury Alliance
16:54:11 Ann Geiger, executive director, Liberty Place
16:57:16 Jim Mickelson, self
17:02:09 Rocky Haralson, Montana County Treasurers Association
17:03:01 Ms. Geiger, speaking on behalf of Aimee Grmoljez, Billings Clinic

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
17:03:28 Sen. Bennett
17:03:48 Mr. Bigart, BIA
17:04:51 Sen. Esp
17:05:20 Rep. Hamlett
17:05:39 Sen. Sands
17:05:59 Mr. Bigart

Closing by Sponsor:
17:06:46 Rep. Hamlett

17:08:58 Sen. Fitzpatrick entered the meeting.

HEARING ON HB 764

Opening Statement by Sponsor:
17:09:03 Rep. Denley Loge (R), HD 14, opened the hearing on HB 764, Generally revise electric vehicle laws.
EXHIBIT(his76a04)
EXHIBIT(his76a05)

Proponents' Testimony:
17:15:19 Bridger Mahlum, Montana Chamber of Commerce
17:17:13 David Smith, executive director, Montana Contractors' Association
17:18:04 Spook Stang, Motor Carriers of Montana
17:19:10 Darryl James, executive director, Montana Infrastructure Coalition

Opponents' Testimony:
17:20:12 Laura Rennick, Energy Bureau chief, Department of Environmental Quality (DEQ)
17:21:16 Chair Vance
17:21:23 Ms. Rennick, DEQ
17:21:32 John MacDonald, Alliance of Automobile Manufacturers
17:24:48 Brian Fadie, Montana Environmental Information Center

Informational Testimony:
17:26:24 Joann Loehr, Motor Vehicle Division, Department of Justice
17:26:38 Mike Tooley, director, Montana Department of Transportation (MDT)

Questions from Committee Members and Responses:
17:27:32 Sen. Gross
17:27:52 Mr. Tooley, MDT

Closing by Sponsor:
17:28:25 Rep. Loge

17:30:59 Recess
17:38:32 Reconvened

EXECUTIVE ACTION ON HB 661

17:38:34 **Motion:** Sen. Fitzpatrick moved that **HB 661 BE CONCURRED IN**.

17:38:54 **Motion:** Sen. Fitzpatrick moved that **HB 661 BE AMENDED**.
EXHIBIT(his76a06)

Discussion:
17:39:03 Laura Sankey Keip, Legislative Services Division

17:41:53 **Vote:** Motion carried 9-1 by roll call vote with Sen. Esp voting no. Sen. D. Brown voted by proxy.

17:42:33 **Motion:** Sen. Fitzpatrick moved that **HB 661 BE CONCURRED IN AS AMENDED**.

Discussion:
17:42:43 Sen. Webb
17:44:44 Sen. Gross

17:45:21 **Vote:** Motion carried 6-4 by roll call vote with Sen. D. Brown, Sen. Esp, Sen. Vance and Sen. R. Webb voting no. Sen. D. Brown voted by proxy. Sen. Ankney will carry the bill.

EXECUTIVE ACTION ON SJ 22

17:46:14 **Motion/Vote:** Sen. Fitzpatrick moved that **SJ 22 DO PASS**. Motion carried 8-2 by voice vote with Sen. Bennett and Sen. Gross voting no. Sen. D. Brown voted by proxy.

EXECUTIVE ACTION ON HJ 16

17:47:16 **Motion/Vote:** Sen. Fitzpatrick moved that **HJ 16 BE CONCURRED IN**. Motion carried 6-4 by roll call vote with Sen. D. Brown, Sen. Esp, Sen. Vance and Sen. R. Webb voting no. Sen. D. Brown voted by proxy. Sen. Sands will carry the bill.

EXECUTIVE ACTION ON SR 45

17:48:54 **Motion/Vote:** Sen. Fitzpatrick moved that **SR 45 BE ADOPTED**. Motion carried unanimously by voice vote. Sen. D. Brown voted by proxy.

EXECUTIVE ACTION ON HB 412

17:49:32 **Motion:** Sen. Fitzpatrick moved that **HB 412 BE CONCURRED IN**.

17:49:53 **Motion:** Sen. Fitzpatrick moved that **HB 412 BE AMENDED**.
EXHIBIT(his76a07)

Discussion:
17:50:03 Laura Sankey Keip, Legislative Services Division (LSD)
17:50:28 Sen. Sands
17:50:39 Ms. Sankey Keip, LSD
17:50:50 Sen. Esp
17:51:09 Ms. Sankey Keip
17:51:20 Sen. Sands
17:52:07 Chair Vance
17:52:14 Ms. Sankey Keip
17:52:25 Sen. Sands
17:52:29 Ms. Sankey Keip
17:52:33 Sen. Sands
17:52:36 Sen. Gross

17:53:19 **Vote:** Motion failed 5-5 by roll call vote with Sen. Bennett, Sen. Boland, Sen. Fitzpatrick, Sen. Gross and Sen. Sands voting aye. Sen. D. Brown voted by proxy.

17:54:02 **Motion:** Sen. Bennett moved that **HB 412 BE CONCEPTUALLY AMENDED**.

Discussion:
17:55:30 Chair Vance

17:55:43 **Vote:** Motion failed 5-5 by roll call vote with Sen. Bennett, Sen. Boland, Sen. Gross, Sen. Sands and Sen. Welborn voting aye. Sen. D. Brown voted by proxy.

17:56:22 **Substitute Motion/Vote:** Sen. R. Webb made a Substitute Motion that **HB 412 BE TABLED**. Substitute Motion failed 5-5 by roll call vote with Sen. D. Brown, Sen. Esp, Sen. Vance, Sen. R. Webb and Sen. Welborn voting aye. Sen. D. Brown voted by proxy.

17:57:20 **Motion/Vote:** Sen. Vance moved that **HB 412 BE TABLED**. Motion carried 6-4 by voice vote with Sen. Bennett, Sen. Boland, Sen. Gross and Sen. Sands voting no. Sen. D. Brown voted by proxy.

EXECUTIVE ACTION ON HB 764

17:57:48 **Motion:** Sen. Fitzpatrick moved that **HB 764 BE CONCURRED IN**.

Discussion:
17:57:55 Laura Sankey Keip, Legislative Services Division (LSD)

17:58:09 **Motion:** Sen. Fitzpatrick moved that **HB 764 BE AMENDED**.
EXHIBIT(his76a08)

Discussion:
17:58:16 Ms. Sankey Keip, LSD
17:59:02 Chair Vance
17:59:17 Ms. Sankey Keip
17:59:33 Sen. Boland

17:59:54 Ms. Sankey Keip

18:00:11 **Vote:** Motion carried 6-4 by roll call vote with Sen. Esp, Sen. Vance, Sen. R. Webb and Sen. Welborn voting no. Sen. D. Brown voted by proxy.

18:00:49 **Motion:** Sen. Fitzpatrick moved that **HB 764 BE CONCURRED IN AS AMENDED**.

Discussion:
18:01:00 Chair Vance
18:01:49 Sen. Welborn

18:02:23 **Substitute Motion:** Sen. Esp made a Substitute Motion that **HB 764 BE TABLED**.

Discussion:
18:02:37 Sen. Boland
18:03:03 Chair Vance
18:03:14 Sen. Gross
18:03:29 Sen. Sands

18:03:45 **Vote:** Substitute Motion carried 9-1 by roll call vote with Sen. Boland voting no. Sen. D. Brown voted by proxy.

EXECUTIVE ACTION ON HB 389

18:04:19 **Motion/Vote:** Sen. Welborn moved that **HB 389 BE REMOVED FROM TABLE**. Motion carried 8-1 by voice vote with Sen. Esp voting no. Sen. D. Brown was excused.

18:06:05 **Motion:** Sen. Fitzpatrick moved that **HB 389 BE CONCURRED IN**.

18:06:11 **Motion/Vote:** Sen. Fitzpatrick moved that **HB 389 BE AMENDED**. Motion carried 7-3 by roll call vote with Sen. D. Brown, Sen. Esp and Sen. Vance voting no. Sen. D. Brown voted by proxy.
EXHIBIT(his76a09)

18:07:29 **Motion/Vote:** Sen. Fitzpatrick moved that **HB 389 BE CONCURRED IN AS AMENDED**. Motion carried 7-3 by roll call vote with Sen. D. Brown, Sen. Esp and Sen. Vance voting no. Sen. D. Brown voted by proxy. Sen. Hinebauch will carry the bill.

18:08:34 Chair Vance

ADJOURNMENT

Adjournment: 6:09 PM

_____
Noah Horan, Secretary

nh

Additional Documents:

EXHIBIT(his76aad.pdf)

SENATE HIGHWAYS AND TRANSPORTATION
EXHIBIT NO. 6
DATE: 4-11-19
BILL NO. HB661

Amendments to House Bill No. 661
3rd Reading Copy

Requested by Senator Steve Fitzpatrick

For the Senate Highways and Transportation Committee

Prepared by Laura Sankey Keip
April 9, 2019 (12:56pm)

1. Title, page 1, line 5.
Strike: "REDUCING"
Insert: "REPEALING"

2. Page 1, line 23.
Strike: "With the approval of the board, money"
Insert: "Money"

3. Page 1, line 24.
Following: "17-7-502, and"
Insert: "with the approval of the board"
Following: "may be used"
Strike: "only"

4. Page 2, line 9.
Following: "**Gasoline**"
Insert: ","
Strike: "**and**"
Following: "**fuel**"
Insert: "**, and aviation fuel**"

5. Page 2, line 24.
Strike: "6.5"
Insert: "5"

6. Page 6, line 8 through line 13.
Strike: subsection (6) in its entirety

7. Page 7, line 7.
Strike: "(A) EXCEPT AS PROVIDED IN SUBSECTION (3)(B), ALL"
Insert: "All"

8. Page 7, line 12 through line 16.

Strike: subsection (B) in its entirety

9. Page 11, line 12.
Following: "equal to the proceeds of"
Strike: "2"
Insert: "0.5"

10. Page 12, line 21 through line 25.
Strike: subsection (2) in its entirety
Insert: "(2) Money in the account is allocated to the aeronautics operations account provided for in [section 1]."

- END -

BG

66th LEGISLATURE
2019 SESSION

Additional Documents

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Table Bills

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Any Document or material presented after the meeting for example@ petitions, news clippings ectara.

These documents prepared, proofed and scanned by Susie Hamilton E-Document Specialist for Senate and House for the 66th LEGISLATURE 2019 SESSION. Room 402 Capitol Hill Station, Helena Montana

BUSINESS REPORT

MONTANA SENATE
66th LEGISLATURE - REGULAR SESSION

SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Date: Thursday, April 11, 2019 **Time:** 3:15 PM
Place: Capitol **Room:** 405

BILLS and RESOLUTIONS HEARD:

HB 412 - Change the opt-in for TBI to an opt-out on vehicle registration forms - Rep. Bradley Hamlett (D)
HB 764 - Generally revise electric vehicle laws - Rep. Denley Loge (R)
HJ 16 - Interim study of electric transportation - Rep. Christopher Pope (D)
SJ 22 - Provide for interim study of chloride-based de-icers - Sen. Dee Brown (R)
SR 45 - Confirm Governor's appointees to the Transportation Commission - Sen. Gordon Vance (R)

EXECUTIVE ACTION TAKEN:

HB 389, Be Concurred In as Amended
HB 764, Be Tabled
HB 412, Be Tabled
SR 45, Be Adopted
HJ 16, Be Concurred In
SJ 22, Do Pass
HB 661, Be Concurred In as Amended

Comments:

SEN. Gordon Vance, Chair

MONTANA STATE SENATE
ROLL CALL
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4/11/19 2019

NAME	PRESENT	ABSENT/ EXCUSED
Chairman Vance	✓	
Vice Chair Fitzpatrick		✓
Vice Chair Boland	✓	
Senator Bennett		✓
Senator Brown	✓	
Senator Esp		✓
Senator Gross	✓	
Senator Sands	✓	
Senator Webb	✓	
Senator Welborn		✓

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Highways and Transportation** report that **House Bill 661** (third reading copy -- blue) **be concurred in as amended**.

Signed: _____
Senator Gordon Vance, Chair

To be carried by Senator Duane Ankney

And, that such amendments read:

1. Title, page 1, line 5.
Strike: "REDUCING"
Insert: "REPEALING"

2. Page 1, line 23.
Strike: "With the approval of the board, money"
Insert: "Money"

3. Page 1, line 24.
Following: "17-7-502, and"
Insert: "with the approval of the board"
Following: "may be used"
Strike: "only"

4. Page 2, line 9.
Following: "Gasoline"
Insert: ","
Strike: "and"
Following: "fuel"
Insert: ", and aviation fuel"

Committee Vote:
Yes 6, No 4
Fiscal Note Required _X_

HB0661001SC13799.slk

5. Page 2, line 24.
Strike: "6.5"
Insert: "5"

6. Page 6, line 8 through line 13.
Strike: subsection (6) in its entirety

7. Page 7, line 7.
Strike: "(A) EXCEPT AS PROVIDED IN SUBSECTION (3)(B), ALL"
Insert: "All"

8. Page 7, line 12 through line 16.
Strike: subsection (B) in its entirety

9. Page 11, line 12.
Following: "equal to the proceeds of"
Strike: "2"
Insert: "0.5"

10. Page 12, line 21 through line 25.
Strike: subsection (2) in its entirety
Insert: "(2) Money in the account is allocated to the aeronautics operations account provided for in [section 1]."

- END -

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Highways and Transportation** report that **Senate Joint Resolution 22** (first reading copy -- white) **do pass**.

Signed: _____
Senator Gordon Vance, Chair

- END -

Committee Vote:
Yes 8, No 2
Fiscal Note Required __

SJ0022001SC.slk

SENATE STANDING COMMITTEE REPORT

April 11, 2019

Mr. President:

We, your committee on **Highways and Transportation** report that **House Joint Resolution 16** (third reading copy -- blue) **be concurred in**.

Signed: _____
Senator Gordon Vance, Chair

To be carried by Senator Diane Sands

- END -

Committee Vote:
Yes 6, No 4
Fiscal Note Required __

HJ0016001SC13941.slk

SENATE STANDING COMMITTEE REPORT

April 11, 2019

Mr. President:

We, your committee on **Highways and Transportation** report that **Senate Resolution 45** (first reading copy -- white) **be adopted**.

Signed: _____
Senator Gordon Vance, Chair

- END -

Committee Vote:
Yes 10, No 0
Fiscal Note Required __

SR0045001SC.slk

SENATE STANDING COMMITTEE REPORT

April 11, 2019

Mr. President:

We, your committee on **Highways and Transportation** report that **House Bill 389** (third reading copy -- blue) **be concurred in as amended**.

Signed: _____
Senator Gordon Vance, Chair

To be carried by Senator Steve Hinebauch

And, that such amendments read:

1. Page 1, line 17.
Strike: "100"
Insert: "25"

- END -

Committee Vote:
Yes 7, No 3
Fiscal Note Required X

HB0389001SC17591.slk

COMMITTEE FILE COPY

BILL TABLED NOTICE

SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

The **SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE** TABLED

HB 412 - Change the opt-in for TBI to an opt-out on vehicle registration forms - Rep. Bradley Hamlett (D)
HB 764 - Generally revise electric vehicle laws - Rep. Denley Loge (R)

by motion, on **Thursday, April 11, 2019** (PLEASE USE THIS ACTION DATE IN LAWS BILL STATUS).

Jaclyn Stewart
(For the Committee)

(For the Secretary of the Senate)

1:30p 4/12
(Time) (Date)

April 12, 2019 (1:18pm) Noah Horan, Secretary Phone: 444-1527

MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-11-19 **, 2019** **BILL #** HB661 **VOTE** 9-1

MOTION: Amendment HB0661101.ALS

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK	✓			
VICE CH. BOLAND	✓			
SEN. BENNETT	✓			
SEN. BROWN	✓		✓	
SEN. ESP	.	✓		
SEN. GROSS	✓			
SEN. SANDS	✓			
SEN. WEBB	✓			
SEN. WELBORN	✓			
CHAIRMAN VANCE	✓			

9 1

MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-11-19 **, 2019** **BILL #** HB661 **VOTE** 6-4

MOTION: Do concur as amended

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK	✓			
VICE CH. BOLAND	✓			
SEN. BENNETT	✓			
SEN. BROWN		✓	✓	
SEN. ESP		✓		
SEN. GROSS	✓			
SEN. SANDS	✓			
SEN. WEBB		✓		
SEN. WELBORN	✓			
CHAIRMAN VANCE		✓		
	6	4		

MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-11-19 **, 2019** **BILL #** HJ16 **VOTE** 6-4

MOTION: Do concur

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK	✓			
VICE CH. BOLAND	✓			
SEN. BENNETT	✓			
SEN. BROWN		✓	✓	
SEN. ESP		✓		
SEN. GROSS	✓			
SEN. SANDS	✓			
SEN. WEBB		✓		
SEN. WELBORN	✓			
CHAIRMAN VANCE		✓		

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MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-11-19 **, 2019** **BILL #** HB412 **VOTE** 5-5

MOTION: Be amended HB041220.AJJ

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK	✓			
VICE CH. BOLAND	✓			
SEN. BENNETT	✓			
SEN. BROWN		✓	✓	
SEN. ESP		✓		
SEN. GROSS	✓			
SEN. SANDS	✓			
SEN. WEBB		✓		
SEN. WELBORN		✓		
CHAIRMAN VANCE		✓		
	5	5		

MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-11-19 **, 2019** **BILL #** HB412 **VOTE** 5-5

MOTION: Be conceptually amended

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK		✓		
VICE CH. BOLAND	✓			
SEN. BENNETT	✓			
SEN. BROWN		✓	✓	
SEN. ESP		✓		
SEN. GROSS	✓			
SEN. SANDS	✓			
SEN. WEBB		✓		
SEN. WELBORN	✓			
CHAIRMAN VANCE		✓		
	5	5		

MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-11-19 **, 2019** **BILL #** HB412 **VOTE** 5-5

MOTION: Table

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK		✓		
VICE CH. BOLAND		✓		
SEN. BENNETT		✓		
SEN. BROWN	✓		✓	
SEN. ESP	✓			
SEN. GROSS		✓		
SEN. SANDS		✓		
SEN. WEBB	✓			
SEN. WELBORN	✓			
CHAIRMAN VANCE	✓			

MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-11-19, **2019** **BILL #** HB 764 **VOTE** 6-4

MOTION: Be amended

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK	✓			
VICE CH. BOLAND	✓			
SEN. BENNETT	✓			
SEN. BROWN	✓		✓	
SEN. ESP		✓		
SEN. GROSS	✓			
SEN. SANDS	✓			
SEN. WEBB		✓		
SEN. WELBORN		✓		
CHAIRMAN VANCE		✓		
	6	4		

MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-11-19 **, 2019** **BILL #** HB764 **VOTE** 9-1

MOTION: Be Tabled

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK	✓			
VICE CH. BOLAND		✓		
SEN. BENNETT	✓			
SEN. BROWN	✓		✓	
SEN. ESP	✓			
SEN. GROSS	✓			
SEN. SANDS	✓			
SEN. WEBB	✓			
SEN. WELBORN	✓			
CHAIRMAN VANCE	✓			
	9	1		

MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-1-19 **, 2019** **BILL #** HB379 **VOTE** 7-3

MOTION: Be amended HB037903.AJC

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK	✓			
VICE CH. BOLAND	✓			
SEN. BENNETT	✓			
SEN. BROWN		✓	✓	
SEN. ESP		✓		
SEN. GROSS	✓			
SEN. SANDS	✓			
SEN. WEBB	✓			
SEN. WELBORN	✓			
CHAIRMAN VANCE		✓		
	7	3		

MONTANA STATE SENATE
ROLL CALL VOTE
HIGHWAYS AND TRANSPORTATION COMMITTEE

DATE: 4-11-19 **, 2019** **BILL #** HB389 **VOTE** 7-3

MOTION: Do concur as amended

NAME	AYE	NO	PROXY	EXCUSED
VICE CH. FITZPATRICK	✓			
VICE CH. BOLAND	✓			
SEN. BENNETT	✓			
SEN. BROWN		✓	✓	
SEN. ESP		✓		
SEN. GROSS	✓			
SEN. SANDS	✓			
SEN. WEBB	✓			
SEN. WELBORN	✓			
CHAIRMAN VANCE		✓		

SENATE PROXY

I, Senator [redacted] Brown, hereby authorize Senator Fitzpatrick to vote my proxy before the Senate Highways & Transportation meeting held on 4/11/19, 2017.

Dee Brown
Senator Signature

4/11/19
Date

Said authorization is as follows: *(mark only one)*

- ☐ All votes, including amendments.
- ☐ All votes as directed below on the listed bills, and all other votes.
- ☐ Votes only as directed below.

Bill No./Amendment No.	Aye	No
HB066101.ALS	X	
HB 661 as amended		X
SJ 22	X	
HJ 16		X
SR 45	X	
HB041220.AJS		X
HB 412 concepts 1		X
HB 412 table	X	
HB 412 table (second)	X	
HB 076405.AJC	X	
HB 764 table	X	[redacted]
HB 038903.AJC		X
HB 389 as amended		X

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Thursday, April 11, 2019
SJ 22 - Provide for interim study of chloride-based de-icers
Sponsor: **Sen. Dee Brown (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Thursday, April 11, 2019
HJ 16 - Interim study of electric transportation
Sponsor: **Rep. Christopher Pope (D)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Brian Fadie	MEIC	X		
Laura Romick	MT DEQ	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Thursday, April 11, 2019
SR 45 - Confirm Governor's appointees to the Transportation Commission
Sponsor: **Sen. Gordon Vance (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Tammi Fisher	Self			X

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Thursday, April 11, 2019
HB 412 - Change the opt-in for TBI to an opt-out on vehicle registration forms
Sponsor: **Rep. Bradley Hamlett (D)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Ann Geiger	Family Member of TBI	X		
Colleen Rehn	NAMI Montana	X		
Aimee Grmoljez	Billings Clinic	X		
Rocky Haralson	MT County Treasurer	X		
Millie Hope	Bozeman MT			
Ariana De/Negro	Brain Injury Alliance of MT	X		
Vicki Nelson	BIA	X		
Jo Nicholson	BIA MT	X		
JOHN BILART III	BRAIN INJURY ALLIANCE	X		
Abigail St Laurent	MSUA	X		
DREW GEIGER	"	X		
Jonathan Windy	HD 32	X		
Dena Loge	HD 14	X		
Spook Stang	Motor Carriers	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE HIGHWAYS AND TRANSPORTATION COMMITTEE

Thursday, April 11, 2019
HB 764 - Generally revise electric vehicle laws
Sponsor: **Rep. Denley Loge (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Bridger Mahlum	MT Chamber Commerce	X		
John MacDonald	Auto Alliance		X	
David Smith	MCA	X		
Brian Fadie	MEIC		X	
Joann Loehe	DOJ MVD			X
Lauren Resnick	MT DEQ		X	
Mike Tooley				X
Dennis James	MT Infrastructure Coalition	✓		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MINUTES

MONTANA SENATE
66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: Chair Ryan Osmundson, on April 13, 2019 at 8:07 A.M., in Room 317 Capitol

ROLL CALL

Members Present:

Sen. Ryan Osmundson, Chair (R)
Sen. Jon C. Sesso, Vice Chair (D)
Sen. Cary Smith, Vice Chair (R)
Sen. Duane Ankney (R)
Sen. Kenneth Bogner (R)
Sen. Mike Cuffe (R)
Sen. Janet Ellis (D)
Sen. Pat Flowers (D)
Sen. David Howard (R)
Sen. Tom Jacobson (D)
Sen. Douglas (Doug) Kary (R)
Sen. Bob Keenan (R)
Sen. Mike Lang (R)
Sen. Nate McConnell (D)
Sen. Mary McNally (D)
Sen. Albert Olszewski (R)
Sen. Daniel R. Salomon (R)
Sen. Susan Webber (D)
Sen. Jeffrey W. Welborn (R)

Members Excused: None

Members Absent: None

Staff Present: Prudence Gildroy, Committee Secretary
Quinn Holzer, Legislative Branch
Julie Johnson, Legislative Branch
Kris Wilkinson, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 660, 4/12/2019; HB 661, 4/12/2019

Executive Action: HB 660; HB 661; HB 685

HEARING ON HB 660

Opening Statement by Sponsor:
08:08:23 Rep. Joel Krautter (R), HD 35, opened the hearing on HB 660, Create Mobile Crisis Unit Grant Program.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
08:09:51 Sen. Howard
08:09:56 Chair Osmundson
08:09:59 Sen. Olszewski
08:10:24 Sen. Cuffe
08:10:44 Rep. Krautter
08:11:04 Sen. Cuffe
08:12:37 Rep. Krautter
08:12:45 Sen. Salomon
08:13:03 Sen. Edie McClafferty, SD 38
08:14:02 Sen. Sesso
08:14:29 Chair Osmundson
08:14:53 Rep. Krautter

Closing by Sponsor:
08:15:36 Rep. Krautter

HEARING ON HB 661

Opening Statement by Sponsor:
08:07:26 Rep. Geraldine Custer (R), HD 39, opened the hearing on HB 661, Revise aviation fuel taxation.

Proponents' Testimony:
08:19:29 John McKenna, pilot, representing himself

Opponents' Testimony:
08:23:04 Sen. Roger Webb, SD 23
EXHIBIT(fcs78a01)

08:28:01 Aiden Myhre, Airlines of America
EXHIBIT(fcs78a02)
EXHIBIT(fcs78a03)
EXHIBIT(fcs78a04)

Informational Testimony:
08:33:18 Bob Gilbert, representing himself
08:34:20 Larry Flynn, Montana Department of Transportation (MDT)

Questions from Committee Members and Responses:

08:34:51 Sen. Flowers
08:35:08 Rep. Custer
08:35:14 Sen. Flowers
08:35:33 Rep. Custer
08:36:09 Sen. Ellis
08:36:53 Rep. Custer
08:37:15 Mr. Flynn, MDT
08:38:53 Sen. Welborn
08:39:19 Mr. McKenna, self
08:40:15 Sen. Welborn
08:40:56 Mr. McKenna
08:41:28 Sen. Lang
08:41:50 Mr. Flynn
08:43:26 Sen. Lang
08:43:30 Mr. Flynn
08:43:33 Chair Osmundson left the meeting. Vice Chair Smith assumed the Chair.
08:43:55 Sen. Smith
08:44:14 Sen. Webb
08:44:28 Sen. Ankney
08:45:18 Mr. McKenna
08:47:52 Sen. Jacobson
08:48:10 Mr. McKenna
08:49:24 Sen. Jacobson
08:49:56 Mr. McKenna
08:51:23 Sen. Smith
08:51:36 Sen. Ellis
08:52:16 Mr. Flynn
08:53:11 Sen. Ankney
08:53:34 Mr. Flynn
08:53:53 Mr. McKenna
08:54:23 Sen. Osmundson returned to the meeting and assumed the Chair.

Closing by Sponsor:

08:55:43 Rep. Custer

09:01:32 Recess
09:38:16 Reconvene

EXECUTIVE ACTION ON HB 660

09:38:27 **Motion:** Sen. C. Smith moved that **HB 660 BE CONCURRED IN.**

Discussion:

09:38:44 Chair Osmundson

09:39:15 **Motion:** Sen. Olszewski moved that **HB 660 BE AMENDED**.
EXHIBIT(fcs78a05)

Discussion:
09:39:18 Sen. Olszewski
09:41:30 Sen. Lang
09:41:50 Sen. Olszewski
09:42:19 Sen. Lang
09:43:48 Sen. Olszewski

09:44:22 **Vote:** Motion carried 18-1 by voice vote with Sen. Jacobson voting no.

09:45:08 **Motion:** Sen. C. Smith moved that **HB 660 BE CONCURRED IN AS AMENDED**.

Discussion:
09:45:15 Sen. Howard
09:45:47 Sen. Sesso

09:47:51 **Vote:** Motion carried 12-7 by roll call vote with Sen. Bogner, Sen. Cuffe, Sen. Howard, Sen. Jacobson, Sen. Kary, Sen. Keenan and Sen. Lang voting no. Sen. McClafferty will carry the bill.

EXECUTIVE ACTION ON HB 661

09:48:54 **Motion:** Sen. C. Smith moved that **HB 661 BE CONCURRED IN.**

09:49:04 **Motion:** Sen. Howard moved that **HB 661 BE AMENDED**.
EXHIBIT(fcs78a06)

Discussion:
09:49:13 Sen. Howard

09:49:43 **Vote:** Motion carried 18-1 by voice vote with Sen. Cuffe voting no.

09:49:58 **Motion:** Sen. C. Smith moved that **HB 661 BE CONCURRED IN AS AMENDED**.

Discussion:
09:50:05 Sen. Ellis
09:50:36 Chair Osmundson

09:50:52 **Vote:** Motion carried 12-7 by roll call vote with Sen. Flowers, Sen. Howard, Sen. Kary, Sen. Keenan, Sen. McNally, Sen. Olszewski and Sen. C. Smith voting no. Sen. Ankney will carry the bill.

EXECUTIVE ACTION ON HB 685

09:51:52 **Motion:** Sen. C. Smith moved that **HB 685 BE CONCURRED IN.**

09:52:12 **Motion:** Sen. C. Smith moved that **HB 685 BE AMENDED**.
EXHIBIT(fcs78a07)

Discussion:
09:52:21 John MacDonald, Montana Newspaper Association
09:52:41 Chair Osmundson
09:52:53 Sen. Jacobson

09:53:38 **Substitute Motion:** Sen. Jacobson made a Substitute Motion to **SEGREGATE THE THREE BILLS IN AMENDMENT HB068501.ARW.**

Discussion:
09:53:42 Sen. Smith
09:54:02 Chair Osmundson
09:54:14 Sen. Webber

09:54:48 **Vote:** Motion failed 8-11 by roll call vote with Sen. Ellis, Sen. Flowers, Sen. Jacobson, Sen. Keenan, Sen. McConnell, Sen. McNally, Sen. Sesso and Sen. Webber voting aye.

Discussion:
09:55:46 Sen. Sesso
09:56:04 Julie Johnson, Legislative Services Division (LSD)
09:56:52 Sen. Sesso
09:57:10 Ms. Johnson, LSD
09:58:55 Rachel Weiss, LSD
10:01:39 Sen. Jacobson
10:02:15 Kris Wilkinson, Legislative Fiscal Division
10:04:24 Sen. Jacobson
10:05:07 Chair Osmundson
10:05:53 Sen. Ellis
10:06:28 Sen. Webber

10:08:05 **Substitute Motion:** Sen. Sesso made a Substitute Motion to **SEGREGATE SECTIONS 1 THROUGH 17 AND 32 THROUGH 51 AND THE COORDINATION LANGUAGE, AND ELIMINATE SECTIONS 18, 19, 20 AND 21.**

Discussion:
10:08:15 Sen. Sesso

10:10:43 **Vote:** Motion carried unanimously by roll call vote.

Discussion:
10:11:27 Sen. Sesso
10:12:27 Ms. Johnson

10:13:56 **Motion:** Sen. Sesso moved to **CONCEPTUALLY AMEND AMENDMENT HB068501.ARW,** that sections 53 on page 77, 54 on page 77, section 60 on page 80, section 61 on page 80 and the removal of section 64 on page 81 and the latitude to modify the title to insure that the amendment has to do with SB 65 and exclude business associated with HB 21 and SB 312.

Discussion:
10:15:57 Sen. Kary
10:16:20 Sen. Howard
10:16:35 Sen. Sesso

10:18:12 **Vote:** Motion carried 17-2 by roll call vote with Sen. Kary and Sen. Keenan voting no.

10:19:05 **Motion:** Sen. C. Smith moved that **HB 685 BE CONCURRED IN AS AMENDED.**

Discussion:
10:19:15 Sen. Keenan

10:20:03 **Vote**: Motion carried 10-9 by roll call vote with Sen. Bogner, Sen. Ellis, Sen. Flowers, Sen. Jacobson, Sen. Kary, Sen. Keenan, Sen. McConnell, Sen. McNally and Sen. Webber voting no. Sen. Osmundson will carry the bill.

Public Comment:
10:21:48 Sen. Keith Regier, SD 3
10:23:37 Tom Butler, chief, Montana Highway Patrol
EXHIBIT(fcs78a08)

10:26:46 John MacDonald, Montana Newspaper Association
10:28:27 Chair Osmundson
10:28:34 Jon Metropoulos, representing himself
10:30:42 Chair Osmundson

ADJOURNMENT

Adjournment: 11:30

Prudence Gildroy, Secretary

pg

Additional Documents:

Additional Documents:

EXHIBIT(fcs78aad.pdf)

SENATE FINANCE & CLAIMS
Exhibit No. 1
Date 4-13-19
Bill No. HB661

MONTANA FUEL PRICES – APRIL 11, 2019

CITY	JET A	100 LOW LEAD	Mo Gas
Kalispell	5.25	5.05	3.62
Columbus	-------	4.75	3.49
Missoula	4.25	4.70	3.49
Helena	4.90	4.89	3.36
Three Forks	-------	4.75	2.85
Sidney	5.65	5.15	2.79
Lewistown	4.70	4.75	2.89
Great Falls	4.70	4.80	2.88
Havre	5.20	5.30	3.26
Miles City	4.50	5.05	2.92
Billings	5.05	4.90	2.87

Billings Airport perspective on HB 661

Ploehn, Kevin <PloehnK@ci.billings.mt.us>

Sat 4/6/2019 11:01 AM

To: webb4mt@hotmail.com <webb4mt@hotmail.com>; Jen.gross25@gmail.com <Jen.gross25@gmail.com>

Dear Senators Gross and Webb,

As the local members of the Senate's Highways Committee, it is my understanding that a hear in HB 661 is scheduled for next Tuesday. While I will not be able to attend that hearing, I thought I would share these thoughts/comments with you.

Ninety five percent of the aviation fuel tax collected in Montana is collected at the seven primary Montana airports, which includes Billings Logan. The initial goal of House Bill 661 to leverage federal funding and fund Montana Aeronautics is worthy, however, the goals of this bill and the amount of increase has greatly expanded beyond what is necessary or prudent. As you consider an appropriate increase in the aviation fuel tax, the following are a few items to consider.

The aviation fuel tax increase needs to be limited to what is needed, not wasted on air strips that have no design standards and less than two aircraft landings per day:

While the state participates in the major roads throughout the state, there are rural roads that have very little traffic and are the responsibility of the local government or entities. Airports should be treated the same way. There are three types of airports in Montana, Primary, Non-primary and then air strips. Montana has eight primary airports and sixty-two non-primary airports which are part of the National Plan of Integrated Airport Systems and must meet state and federal design guidelines, have regulatory oversight and are eligible for Federal Grant Funding. Leveraging Federal Grant Funding for Primary and Non-Primary airports is in the best interest of the State and currently there is approximately a $1 million dollar annual short fall to fully leverage this grant funding. It appeared that the failed Fern Amendment to HB 661 was a reasonable compromise that fully leveraged the Federal Funding as well as provided for Montana Aeronautics and this was supported by the Montana Primary airports and included a 50% across the board increase in Aviation Fuel Tax. All other air strips in the state are not eligible for Federal Funding, do not have regulatory oversight and are not required to meet state or federal design standards. The proponents of this bill desire significantly more funding than is needed. This additional funding would be to help pay for these non-regulated air strips, which average 2 landings or less per day and they want the Montana tax payers to pay for it. This would be similar to the legislature appropriating money to the Highway Department to pay for a remote county road that only sees two vehicles per day. We need to be smart with how Montanans are taxed because if the tax is too much, the adverse impacts negate any positive benefits.

The aviation fuel tax increase impacts Montanans on many levels:

Representative Custer stated to the Bozeman Daily Chronicle that she anticipates airlines will pass the cost on to consumers and she may be correct. This tax will increase the cost for the family trying to attend a funeral in Florida. It will increase the cost for Montana businesses shipping their product out of state by air. It will increase the cost for an air ambulance patient being transported to Salt Lake City for life saving surgery. It will increase the cost for the hundreds of Flight school student trying to build hours to fill the existing pilot shortage. **It will increase the cost to operate fire fighting aircraft** trying to save Montana homes from wild fires. These Montanans are not even aware of this tax increase and they certainly aren't aware that this additional new funding will go to construct, rehab and maintain remote airstrips without design standards and very little aircraft traffic.

The aviation fuel tax increase will likely have an adverse impact air service in Montana:

If Representative Custer is not correct, and passengers are not willing to pay for a more expensive airline ticket to/from Montana, the likely impact is less air service in the state. At 83% of seats filled, the average profit per passenger one-way is approximately $17.75 (per the Wall Street Journal). At 76% of seats filled, the profit generally disappears. Out of 59 individual air markets in Montana, 26% are underperforming with less than 76% of seats filled. Most of these markets are newer and have not matured. An increase in the Aviation Fuel Tax could be the tipping point where these flights no longer make sense to continue. A loss of any air service will mean less passengers flying into Montana and for every passenger lost, there is a negative economic impact of nearly $2,000 per passenger, which ultimately means less general fund tax collections for the state.

Leveraging a federal grant funding match shortfall is good for the state and the Montana primary airports support this goal. However, an aviation fuel tax increase that exceeds what is needed will impact Montanans by either increasing the cost to fly, reducing air service in Montana, or both. As the most remote state in the lower 48, we need to step back and evaluate if we are willing to sacrifice Montana's access to the world, or fund air strips that handle less than 2 aircraft operations per day.

Should you have any questions, feel free to give me a call or respond back. Thank you for listening.

Respectfully,

Kevin Ploehn
Director of Aviation & Transit
City of Billings
Billings Logan Int'l Airport
1901 Terminal Circle, Room 216
Billings, MT 59105

(406) 657-8484

P.O. Box 9169, Missoula, MT 59807-9169
(800) 367-2577 | (406) 728-3113 | Fax: (406) 728-7416
www.alpsnet.com

April 8, 2019

To: Members of the Senate Highways and Transportation Committee

From: ALPS Property & Casualty Insurance Company ("ALPS")

RE: **Oppose HB 661 – Raising commercial airline fuel taxes will increase Montana airfares, making it harder for Montana to attract businesses and more burdensome for lower income Montanans to travel.**

Dear Senate Highways and Transportation Committee Members,

Montana's average airfare prices are 20% higher than the national average. Combined with having among the lowest per capita income means that Montanans are forced to spend a higher percentage of income on air travel than almost anywhere else in the country. That places vacations out of reach, limits out-of-state family visits, and can make the cost of attending an unexpected funeral a disaster.

From a business perspective, we have a wonderful place to work and, in-part based on the great work of this Legislature, Montana has attracted many businesses and workers who are based here while conducting business in other states. ALPS is headquartered and centralized in Missoula and is also the largest direct insurer of legal malpractice in the country. We do business in 47 states, employing hard working Montanans who transact business from Texas to Georgia to Virginia and back. The only way this is possible is to have our Montana people in the air every week. That certainly isn't unique to ALPS. Any job or any business based in Montana and conducting business elsewhere will tell you the cost of airfare (and the routes) is one of the most important ingredients in helping Montana-based business compete on a regional or national scale.

Great progress has been made over the last few years attracting more airlines/routes. The increased competition has driven down ticket prices. Missoula's fares are down almost 10% over the last five years, while comparable out-of-state airports (Madison, Huntsville, Springfield, etc.) are up double-digits over the same period. A key ingredient in this progress is the revenue guarantee. ALPS has been one of the leading contributors to the rev guarantee, which most recently helped secure the American Airlines flight from Missoula to Dallas and Chicago. That, again, has pushed airfare prices down for all travelers. While personally I find it difficult to justify protecting the bottom line of airlines, the reality is demand for aircraft outpaces supply, and when other communities embrace it and we don't, we lose. We've seen this play out many times.

This letter is not written in opposition to the infrastructure needs of small airports. I have family in these small communities, as do many of my colleagues. But to gouge the commercial airlines to fund these needs is not the right approach, and in fact will hurt far more Montanans and

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Montana businesses than it will help. The price of fuel in Montana inclusive of tax compared to airports in areas competing for that same air service is a factor and airline decision making. Driving up commercial fuel taxes, and over 100% no less, will raise the cost of commercial airfares in Montana and directly undermine the work of our Montana Airport Directors and those of us in the private sector who have invested in rev guarantees to bring down airfares for all Montanans.

Please oppose HB 661 and prevent this increase in commercial fuel taxes, which will increase Montana airfares and will in turn hurt Montana businesses and our fellow Montanans who can least afford it.

Kind Regards,

David A. Bell, President & CEO

HB661

john@execairmontana.com

Tue 4/9/2019 12:18 PM

To: vancesd34@gmail.com <vancesd34@gmail.com>
Cc: carlie.boland@mtleg.gov <carlie.boland@mtleg.gov>; steve.fitzpatrick@mtleg.gov <steve.fitzpatrick@mtleg.gov>; bennettformontana@gmail.com <bennettformontana@gmail.com>; dee.brown@mtleg.gov <dee.brown@mtleg.gov>; johnesp2001@yahoo.com <johnesp2001@yahoo.com>; jen.gross@mtleg.gov <jen.gross@mtleg.gov>; diane.sands@mtleg.gov <diane.sands@mtleg.gov>; webb4mt@hotmail.com <webb4mt@hotmail.com>; scott.sales@mt.leg <scott.sales@mt.leg>

Chairman Vance and members of committee,

By introductions my name is John Maxness. I am the co-owner of an aviation service provider company in Helena. Our scope of business includes commercial air charter, freight and air ambulance. We also sell aviation fuel in Montana. I would like to discuss HB 661 today.

HB661 raised the fuel tax by 2.5 cents per gallon. The bill has been sold on the premise of pitting the airlines against the small aviation flyers. What has been left out of the discussion is the aviation operations like we perform. 65% of our flight operations are air ambulance, IN-NETWORK AIR AMBULANCE. We have no way whatsoever to recoup the increase aviation fuel tax. Our rates are determined by Medicare which then Medicaid reduces by a percentage. Commercial insurance companies through the affordable care act pay a percentage above Medicare rates. My company has NO ability to pass these fuel tax increases onto the end consumer, ie patient. I have heard the proponents many times say "just pass it on". Simply, we eat it!! We also have several long term transportation contracts, again during the contract term we have zero ability to pass the fuel tax increase onto our customer. HB661 provides relief from the additional tax to Cape Air, which is a Massachusetts based company, under the premise the aviation fuel tax increase would not apply until a new contract term, yet a 89 year old Montana based company is not exempt. Simply, that smells bad!!

Our operations also include the sale of aviation fuels to end consumers. These consumers are somewhat sophisticated and purchase fuel dependent on price. Many of these aircraft can fly half way around the globe on one tank of fuel, therefore they get to choose and if we are a couple three cents high, they buy from the less expensive source. So again to remain competitive, we simply eat the fuel tax increase.

I am also sensitive to the aviation infrastructure needs. I would also add that the 90% the aviation trust fund provides for aviation infrastructure comes from transportation ticket tax including both passengers and cargo as well as the federal fuel tax placed on aviation fuel. We deposit a significant amount to this fund bi-weekly as required by IRS rules. I think it is important to understand where the first 90% comes from, so now the trick is to come up with a method to fund the other 10%. In consideration of HB661 and any amendments that are offered, please take into consideration the middle group, the Montana middle group of aviation providers that are impacted as well. My hope would be is we could ratchet the tax down some from the current level.

I am open for any questions or further dialogue.

Best Regards,

John Maxness
Exec Air Montana, Inc.
2430 Airport Road
Helena, MT 59601

406.459.6265
john@execairmontana.com

Alaska
AIRLINES

The Honorable Gordon Vance
Chair, Highways & Transportation Committee
Montana Senate
PO Box 200500
Helena, MT 59620-0500

Dear Chairman Vance and Members of the Senate Highways and Transportation Committee:

On behalf of Alaska Airlines, I am writing to request your opposition to HB 661, which would significantly raise the tax on jet fuel purchased in the state of Montana.

Alaska Airlines has a demonstrated commitment to our Montana guests, proudly serving the Billings, Bozeman, Kalispell, Great Falls, Helena and Missoula airports since the 1980s and early 1990s. For over a decade, Alaska has flown over 400,000 seats annually to Montana destinations, and last year we saw our highest number of scheduled seats offered in those ten years. Today, we are Montana's leading carrier to west coast cities like Seattle and Portland, both of which are desired destinations for our guests as well as connecting points for those traveling on to other domestic and international destinations on Alaska, our Global Partners, or other airlines.

Our company operates in a highly competitive business environment, which is good and healthy. However, sudden increases in costs inhibit our ability to invest in our people and business and offer low fares enabled by low costs. Jet fuel represents one of the highest costs to Alaska and the entire industry. Additional increases from taxes on jet fuel will only serve to dampen the overall demand by making air travel more expensive for Montana travelers.

HB 661 represents a 175% increase in the state's jet fuel tax – the revenue from which would largely support projects at non-commercial airports that airlines and our customers will never use. We believe it is unfair for the legislature to demand that Montanans flying for personal or business travel should bear the cost of a tax that will ultimately benefit private aviation aircraft owners.

Alaska has demonstrated its commitment to Montana for many years, providing consistent, reliable and low-cost service to customers across the state. HB 661 creates uncertainty for the future growth of commercial air service in Montana for the entire industry and those that it supports.
We hope you will reject efforts to increase the jet fuel tax on commercial airlines and oppose HB 661.

Sincerely,

Megan Ouellette

Megan Ouellette
Managing Director, Government Affairs
Alaska Airlines

PO Box 68900, Seattle, WA 98168-0900
P 206-433-3200

SENATE FINANCE & CLAIMS
Exhibit No. 2
Date 4-13-19
Bill No. HB661

Airlines for America
We Connect the World

The Honorable Denley M. Loge
1301 East 6th Avenue
State of Montana State Capitol
Room 455
Helena, MT 59620-0801

March 20, 2019

Dear Chairman Loge and Members of the Transportation Committee:

We write to respectfully oppose HB 661, which could have the unintended consequence of either driving up the cost of air travel for passengers flying in and out of Montana or reducing air service, neither of which would be good for Montana's travel and tourism industry. HB 661 would eliminate the current refunding mechanism for a portion of taxes paid on aviation fuel purchased by airlines in Montana and substantially raise the excise tax on that fuel, resulting in a significant tax increase on air carriers, passengers, and shippers traveling in and out of Montana.

Statistics show that that during difficult financial times for the airline industry from 2005-2011, Montana saw the number of scheduled seats substantially decline by 26%. But, as financial conditions improved over the last seven years, the supply of scheduled seats grew by 33%. The number of scheduled seats departing Bozeman, Billings, Kalispell, Missoula and West Yellowstone were higher than they were in 2005. It is clear that a strong, healthy commercial airline industry is critical to the success of travel and tourism in Montana. As you can imagine, airlines get a seemingly unlimited number of requests every year from airports to provide service on new or expanded routes. The cost associated with providing service in every market are analyzed very closely, including the current and potential tax burden. Why unnecessarily put opportunities to expand – or retain – service at risk?

As the second largest industry expense behind labor, airlines are sensitive to aviation fuel prices and aviation fuel taxes. Lower costs and a favorable tax environment help the bottom line and enable airlines to keep fares affordable, grow air service, and create jobs. For example, North Carolina eliminated its state aviation fuel tax at the start of 2016 and air service growth accelerated as a result. From 2013 through 2015, flight departures actually shrank 5 percent while seat growth was flat. By contrast, after the tax repeal, annual flight departures grew 3.2 percent while seats grew 7.4 percent from 2015 to 2018.

Airlines for America members include: Alaska Airlines, Inc., American Airlines, Inc., Atlas Air, Inc., Federal Express Corp., Hawaiian Airlines, JetBlue Airways Corp., Southwest Airlines Co., United Continental Holdings, Inc., and UPS Airlines; Air Canada is an associate member.

Please vote NO on HB 661
A 175% tax increase on passenger airlines

SENATE FINANCE & CLAIMS
Exhibit No. 3
Date 4-13-19
Bill No. HB 661

Commercial aviation is helping Montana thrive through travel, tourism and good paying jobs. Why put all of that at risk by unnecessarily making Montana a high tax burden state?

- Scheduled air service levels to the state are currently the highest they've been this decade – higher taxes will dampen service growth or could result in service cuts, as airlines elect to deploy their capacity elsewhere.

This bill would impose an enormous, unneeded tax increase on airlines, passengers and shippers:

- The tax on jet fuel would jump from 2 to 4.5 cents per gallon (cpg) in 2019 for passenger carriers and then rise again in 2021 to 5.5 cpg, a 175% increase compared to today
- For cargo carriers, the tax would rise from 4 to 6.5 cpg, a 63% tax increase
- Montana would become the 16th *worst* among all 50 states for overall tax burden on jet fuel

The flying public wants low fares, not higher taxes:

- Last year (year-end June 2018), the average one-way domestic airfare to/from Montana including paid ancillary fees was $221, the lowest it's been since 2005 after adjusting for inflation
- Recently, Montana airfares have declined 10 percent on average since 2015

Airlines, passengers and shippers already pay for the vast majority of Montana airport operations via rents, landing fees, parking fees, concessions, ticket taxes and cargo waybill taxes. They should not be forced to pay for airports they will never use.

Passenger airline landing fees	$ 2,874,352
Terminal arrival fees - rents - utilities	7,027,293
Other passenger aeronautical fees	584,976
Landing fees from cargo	793,870
Landing fees from GA and military	352,299
FBO revenue - contract or sponsor-operated	701,712
Cargo and hangar rentals	914,599
Fuel sales net profit/loss or fuel flowage fees	595,839
Security reimbursement from U.S. government	419,530
Other non-passenger aeronautical revenue	722,483
Total Aeronautical Revenues at Montana Airports in 2017	$ 14,986,953

- General aviation landing fees and revenues from fixed based operators (FBO) only accounted for 7 percent of total state aeronautical revenues (source: FAA).
- General aviation operations accounted for 62 percent of the state's total (source: FAA Opsnet)
    - Military 5%; commercial airlines 33%

Commercial aviation is a critical economic engine in Montana that supports local businesses and brings non-residents to the state. According to a Federal Aviation Administration (FAA) economic impact study, commercial aviation supports:

- $1.3 billion in annual gross state product for Montana – nearly 3% of the state's economy
- Nearly 21,000 jobs and $655 million in annual payroll
- Direct airline jobs pay well – the average U.S. passenger airline annual wage was 47 percent higher than the U.S. private sector average

Tourism **is one of Montana's leading industries: non-resident visitor spending supports the local economy, jobs and tax receipts. Non-resident visitor footprint in 2017:**

- 12.2 million non-resident visitors
- $3.7 billion in non-resident spending
- $228 million in state/local tax receipts
- Visitors supported nearly 59,000 jobs and $1.5 billion in payroll

Pro-growth states seeking to increase opportunities to retain and expand air service and keep passenger costs low are going in the opposite direction of what HB 661 propose to do. In addition to North Carolina joining Texas and other states in eliminating their tax on aviation fuel, Georgia and Florida have in recent years reduced their taxes and are close to a zero tax. These states recognize that a healthy commercial aviation system does not need a aviation fuel tax at all in order to function smoothly, and that commercial airline passengers – many of whom are your constituents - should not be subsidizing general aviation airports through increased aviation fuel taxes. Some examples of where airlines are making substantial investments in Montana airports include:

- Bozeman is starting $30 million expansion this spring and a $20 million baggage project next summer once the first project is complete.

- In the next few years Glacier Park will start a $4 million apron project as an enabling project for the larger terminal expansion project. That $61 million terminal expansion will happen over the next 3 years or so.

- In Billings $57 million in new concourse facilities will meet the estimated demand for next 15-20 years and will expand number of jet bridges from 5 to 8.

- Missoula will complete a $111 million rebuild of facility and expansion of gates.

- Helena will complete an $11 million terminal expansion and new concessions and expanded TSA checkpoint.

Passengers want lower taxes and more options. We would encourage you to support an expanded travel and tourism economy by opposing HB 661.

SENATE FINANCE & CLAIMS
Exhibit No. 4
Date 4-13-19
Bill No. HB 661

mtrevenue.gov

Centrally Assessed Property Summary
For Tax Year 2018
Generated September 28, 2018

Company Number	Name	Mileage ($)	Personal ($)	Real ($)	Total ($)	Taxable ($)	Estimated Taxes ($)	Tax Class	Tax Ra (%)
401	COMPASS AIRLINES INC	329,664	-	-	329,664	10,285	6,795	12	3.12%
404	ALLEGIANT AIR LLC	8,197,315	505,384	-	8,702,699	271,526	183,224	12	3.12%
407	ENDEAVOR AIR, INC.	639,717	-	-	639,717	19,958	13,225	12	3.12%
409	FRONTIER AIRLINES INC	2,250,959	9,342	-	2,260,301	70,521	46,388	12	3.12%
450	FEDERAL EXPRESS CORP	23,346,219	9,787,553	1,855,677	34,989,449	1,091,664	746,782	12	3.12%
451	AMERICAN AIRLINES INC	1,706,116	48,578	-	1,754,695	54,747	33,831	12	3.12%
452	ENVOY AIR INC	3,177,778	718,463	-	3,896,241	121,563	81,252	12	3.12%
473	HORIZON AIR INDUSTRIES, INC	16,520,214	3,090,331	-	19,610,545	611,852	414,774	12	3.12%
475	TRANS STATES AIRLINES LLC	1,686,420	-	-	1,686,420	52,617	36,613	12	3.12%
476	MESA AIRLINES INC	1,152,620	-	-	1,152,620	35,961	22,220	12	3.12%
487	SKYWEST INC & SUBS	31,061,234	77,566	-	31,138,800	971,533	666,306	12	3.12%
490	DELTA AIR LINES INC	34,749,532	3,726,076	-	38,475,608	1,200,438	793,033	12	3.12%
493	REPUBLIC AIRLINE INC	164,793	-	-	164,793	5,142	3,175	12	3.12%
494	GOJET AIRLINES LLC	1,127,229	-	-	1,127,229	35,169	23,922	12	3.12%
495	UNITED AIRLINES	17,381,881	2,192,268	-	19,574,149	610,715	396,314	12	3.12%
496	UNITED PARCEL SERVICE CO	8,000,201	1,518,828	-	9,519,029	296,993	205,624	12	3.12%
	Airlines Totals	**$ 151,491,892**	**$ 21,674,389**	**$ 1,855,677**	**$ 175,021,959**	**$ 5,460,684**	**$ 3,673,478**		
700	BEARTOOTH ELEC COOP INC	9,490,788	5,778,899	1,195,638	16,465,325	493,970	254,406	5	3.00%
701	BIG HORN COUNTY ELECTRIC COOPERATIVE INC	7,963,122	3,667,167	1,406,965	13,037,254	391,117	211,612	5	3.00%
702	BIG HORN RURAL ELECTRIC COMPANY	1,944,219	54,241	-	1,998,460	59,954	27,638	5	3.00%
703	BIG FLAT ELECTRIC COOP INC	4,872,471	1,727,391	478,803	7,078,665	212,362	123,187	5	3.00%
706	FALL RIVER RURAL ELECTRIC COOP INC	7,648,565	3,827,686	922,837	12,399,088	371,972	170,528	5	3.00%
709	FERGUS ELECTRIC COOP	24,344,885	7,741,395	2,823,131	34,909,411	1,047,286	593,388	5	3.00%
712	FLATHEAD ELECTRIC COOP INC	112,684,175	84,321,985	3,479,040	200,485,200	6,014,575	3,586,085	5	3.00%
712	FLATHEAD ELECTRIC COOP INC	-	3,217,292	-	3,217,292	96,519	50,937	14	3.00%
713	FLATHEAD ELECTRIC COOPERATIVE INC - CLASS 9	-	13,988	-	13,988	-	-	13	0.00%
713	FLATHEAD ELECTRIC COOPERATIVE INC - CLASS 9	16,224,048	13,810,420	181,337	30,215,805	3,625,898	2,782,017	9	12.00%
713	FLATHEAD ELECTRIC COOPERATIVE INC - CLASS 9	-	8,367	-	8,367	251	211	14	3.00%
715	GLACIER ELECTRIC COOPERATIVE INC	21,953,597	8,720,448	2,963,350	33,637,395	1,009,125	698,492	5	3.00%
718	GOLDENWEST ELECTRIC COOP INC	5,072,429	1,965,962	364,138	7,402,529	222,076	82,902	5	3.00%
721	GRAND ELECTRIC COOPERATIVE INC	34,835	7,700	-	42,535	1,276	352	5	3.00%
724	HILL COUNTY ELECTRIC COOP INC	18,380,895	5,051,290	5,942,847	29,375,032	881,251	526,027	5	3.00%
727	LINCOLN ELECTRIC COOPERATIVE INC	11,100,521	7,773,824	1,492,657	20,367,002	611,006	303,811	5	3.00%
730	LOWER YELLOWSTONE RURAL ELEC	19,789,827	10,352,287	14,276,989	44,419,103	1,332,574	510,437	5	3.00%
731	LOWER YELLOWSTONE RURAL ELEC	117,001	526,285	-	643,286	77,195	36,267	9	12.00%
733	MARIAS RIVER ELEC COOP	5,587,819	2,523,589	1,475,117	9,586,525	287,594	185,631	5	3.00%
736	MCCONE ELECTRIC COOP INC	16,790,668	6,248,564	1,754,793	24,794,025	743,822	424,354	5	3.00%
737	MCKENZIE ELECTRIC COOPERATIVE, INC.	371,635	9,209	-	380,844	11,425	4,112	5	3.00%
739	MID YELLOWSTONE ELECTRIC COOP INC	4,880,575	1,473,231	1,562,655	7,916,461	237,493	105,562	5	3.00%
742	MISSOULA ELECTRIC COOPERATIVE INC	31,536,677	11,308,016	8,426,637	51,271,330	1,538,157	1,026,083	5	3.00%
745	NORVAL ELECTRIC COOPERATIVE INC	14,302,623	4,938,676	1,793,006	21,034,305	631,027	340,895	5	3.00%
748	NORTHERN LIGHTS INC	9,236,108	2,751,105	4,587,272	16,574,485	497,231	260,683	5	3.00%
751	PARK ELECTRIC CO-OP INC	12,706,246	4,054,624	491,350	17,252,220	517,567	252,341	5	3.00%

SENATE FINANCE & CLAIMS
Exhibit No. 6
Date 4-13-19
Bill No. HB661

Amendments to House Bill No. 661
2nd Reading/2nd House Copy

Requested by Senator David Howard

For the Senate Finance and Claims Committee

Prepared by Julie Johnson
April 13, 2019 (9:26am)

1. Page 14.
Following: line 15
Insert: "NEW SECTION. **Section 13. Restriction on administrative costs.** The department of transportation may not retain any money from the increased revenue generated by [this act] for administrative purposes."
Renumber: subsequent sections

- END -

66th LEGISLATURE
2019 SESSION

Additional Documents

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Any Document or material presented after the meeting for example@ petitions, news clippings ectara.

These documents prepared, proofed and scanned by Susie Hamilton E-Document Specialist for Senate and House for the 66th LEGISLATURE 2019 SESSION. Room 402 Capitol Hill Station, Helena Montana

BUSINESS REPORT

MONTANA SENATE
66th LEGISLATURE - REGULAR SESSION

SENATE FINANCE AND CLAIMS COMMITTEE

Date: Saturday, April 13, 2019 **Time:** 8:07 A.M.
Place: Capitol **Room:** 317

BILLS and RESOLUTIONS HEARD:

HB 660 - Create Mobile Crisis Unit Grant Program - Rep. Joel Krautter (R)
HB 661 - Revise aviation fuel taxation - Rep. Geraldine Custer (R)

EXECUTIVE ACTION TAKEN:

HB 660 - Be Concurred In As Amended
HB 661 - Be Concurred In As Amended
HB 685 - Be Concurred In As Amended

Comments:

SEN. Ryan Osmundson, Chair

MONTANA STATE SENATE
ROLL CALL
FINANCE AND CLAIMS COMMITTEE

DATE: April 13, 2019

NAME	PRESENT	ABSENT/ EXCUSED
Chairman Osmundson	✓	
Vice Chair Smith	✓	
Vice Chair Sesso	✓	
Senator Ankney	✓	
Senator Bogner	✓	
Senator Cuffe	✓	
Senator Ellis	✓	
Senator Flowers	✓	✓ Joined after roll
Senator Howard	✓	
Senator Jacobson	✓	✓ Joined after roll
Sen. Kary	✓	
Senator Keenan	✓	
Senator Lang	✓	
Senator McConnell	✓	✓ Joined after roll
Senator McNally	✓	
Senator Olszewski	✓	
Senator Salomon	✓	
Senator Webber	✓	
Senator Welborn	✓	

MONTANA STATE SENATE
ROLL CALL VOTE
FINANCE AND CLAIMS
COMMITTEE

DATE: April 13, 2019 BILL # HB 660 VOTE 8-1

MOTION: Be Amended 66101.ajj

NAME	AYE	NO	PROXY	EXCUSED
VICE CHAIR SMITH	✓			
VICE CHAIR SESSO	✓			
SENATOR ANKNEY	✓			
SENATOR BOGNER	✓			
SENATOR CUFFE	✓			
SENATOR ELLIS	✓			
SENATOR FLOWERS	✓			
SENATOR HOWARD	✓			
SENATOR JACOBSON		✓		
SENATOR KARY	✓			
SENATOR KEENAN	✓			
SENATOR LANG	✓			
SENATOR MCCONNELL	✓			
SENATOR MCNALLY	✓			
SENATOR OLSZEWSKI	✓			
SENATOR SALOMON	✓			
SENATOR WEBBER	✓			
SENATOR WELBORN	✓			
CHAIRMAN OSMUNDSON	✓			

MONTANA STATE SENATE
ROLL CALL VOTE
FINANCE AND CLAIMS
COMMITTEE

DATE: April 13, 2019 BILL #HB660 VOTE 12-7

MOTION: Be Concurred in as Amended

NAME	AYE	NO	PROXY	EXCUSED
VICE CHAIR SMITH	✓			
VICE CHAIR SESSO	✓			
SENATOR ANKNEY	✓			
SENATOR BOGNER		✓		
SENATOR CUFFE		✓		
SENATOR ELLIS	✓			
SENATOR FLOWERS	✓			
SENATOR HOWARD		✓		
SENATOR JACOBSON		✓		
SENATOR KARY		✓		
SENATOR KEENAN		✓		
SENATOR LANG		✓		
SENATOR MCCONNELL	✓			
SENATOR MCNALLY	✓			
SENATOR OLSZEWSKI	✓			
SENATOR SALOMON	✓			
SENATOR WEBBER	✓			
SENATOR WELBORN	✓			
CHAIRMAN OSMUNDSON	✓			

MONTANA STATE SENATE
ROLL CALL VOTE
FINANCE AND CLAIMS
COMMITTEE

12-7

DATE: April 13, 2019 BILL # HB661 VOTE ~~13-4~~

MOTION: Be Concurred as Amended

NAME	AYE	NO	PROXY	EXCUSED
VICE CHAIR SMITH		✓		
VICE CHAIR SESSO	✓			
SENATOR ANKNEY	✓			
SENATOR BOGNER	✓			
SENATOR CUFFE	✓			
SENATOR ELLIS	✓			
SENATOR FLOWERS		✓		
SENATOR HOWARD		✓		
SENATOR JACOBSON	✓			
SENATOR KARY		✓		
SENATOR KEENAN		✓		
SENATOR LANG	✓	✓		
SENATOR MCCONNELL	✓			
SENATOR MCNALLY		✓		
SENATOR OLSZEWSKI		✓		
SENATOR SALOMON	✓			
SENATOR WEBBER	✓			
SENATOR WELBORN	✓			
CHAIRMAN OSMUNDSON	✓			

MONTANA STATE SENATE
ROLL CALL VOTE
FINANCE AND CLAIMS
COMMITTEE

DATE: April 13, 2019 BILL # HB 685 VOTE 8 - 11

MOTION: Three bills be segregated

NAME	AYE	NO	PROXY	EXCUSED
VICE CHAIR SMITH		✓		
VICE CHAIR SESSO	✓			
SENATOR ANKNEY		✓		
SENATOR BOGNER		✓		
SENATOR CUFFE		✓		
SENATOR ELLIS	✓			
SENATOR FLOWERS	✓			
SENATOR HOWARD		✓		
SENATOR JACOBSON	✓			
SENATOR KARY		✓		
SENATOR KEENAN	✓			
SENATOR LANG		✓		
SENATOR MCCONNELL	✓			
SENATOR MCNALLY	✓			
SENATOR OLSZEWSKI		✓		
SENATOR SALOMON		✓		
SENATOR WEBBER	✓	✓		
SENATOR WELBORN		✓		
CHAIRMAN OSMUNDSON		✓		

MONTANA STATE SENATE
ROLL CALL VOTE
FINANCE AND CLAIMS
COMMITTEE

DATE: April 13, 2019 BILL # HB 685 VOTE 19-0

MOTION: Sesso-Segregate sections 1 through 17 and 32 through 37 and the coordination language and eliminate sections 18, 19, 20, 21

NAME	AYE	NO	PROXY	EXCUSED
VICE CHAIR SMITH	✓			
VICE CHAIR SESSO	✓			
SENATOR ANKNEY	✓			
SENATOR BOGNER	✓			
SENATOR CUFFE	✓			
SENATOR ELLIS	✓			
SENATOR FLOWERS	✓			
SENATOR HOWARD	✓			
SENATOR JACOBSON	✓			
SENATOR KARY	✓			
SENATOR KEENAN	✓			
SENATOR LANG	✓			
SENATOR MCCONNELL	✓			
SENATOR MCNALLY	✓			
SENATOR OLSZEWSKI	✓			
SENATOR SALOMON	✓			
SENATOR WEBBER	✓			
SENATOR WELBORN	✓			
CHAIRMAN OSMUNDSON	✓			

MONTANA STATE SENATE
ROLL CALL VOTE
FINANCE AND CLAIMS
COMMITTEE

DATE: April 13, 2019 BILL # HB685 VOTE 17-2

MOTION: Be Amended Concurrently

NAME	AYE	NO	PROXY	EXCUSED
VICE CHAIR SMITH	✓			
VICE CHAIR SESSO	✓			
SENATOR ANKNEY	✓			
SENATOR BOGNER	✓			
SENATOR CUFFE	✓			
SENATOR ELLIS	✓			
SENATOR FLOWERS	✓			
SENATOR HOWARD	✓			
SENATOR JACOBSON	✓			
SENATOR KARY		✓		
SENATOR KEENAN		✓		
SENATOR LANG	✓			
SENATOR MCCONNELL	✓			
SENATOR MCNALLY	✓			
SENATOR OLSZEWSKI	✓			
SENATOR SALOMON	✓			
SENATOR WEBBER	✓			
SENATOR WELBORN	✓			
CHAIRMAN OSMUNDSON	✓			

MONTANA STATE SENATE
ROLL CALL VOTE
FINANCE AND CLAIMS
COMMITTEE

DATE: April 13, 2019 BILL # HB685 VOTE 10-9

MOTION: Be Concurred In As Amended

NAME	AYE	NO	PROXY	EXCUSED
VICE CHAIR SMITH	✓			
VICE CHAIR SESSO	✓			
SENATOR ANKNEY	✓			
SENATOR BOGNER		✓		
SENATOR CUFFE	✓			
SENATOR ELLIS		✓		
SENATOR FLOWERS		✓		
SENATOR HOWARD	✓			
SENATOR JACOBSON		✓		
SENATOR KARY		✓		
SENATOR KEENAN		✓		
SENATOR LANG	✓			
SENATOR MCCONNELL		✓		
SENATOR MCNALLY		✓		
SENATOR OLSZEWSKI	✓			
SENATOR SALOMON	✓			
SENATOR WEBBER		✓		
SENATOR WELBORN	✓			
CHAIRMAN OSMUNDSON	✓			

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Finance and Claims** report that **House Bill 660** (third reading copy -- blue) **be concurred in as amended**.

Signed: _____
Senator Ryan Osmundson, Chair

To be carried by Senator Edith (Edie) McClafferty

And, that such amendments read:

1. Page 4.
Following: line 3
Insert: "NEW SECTION. **Section 5. Coordination with existing programs -- legislative intent.** The legislature intends that the department of public health and human services coordinate the provisions of [this act] with current suicide and mental health crisis response programs as recommended in the 2016 Montana suicide mortality review team report."
Renumber: subsequent sections

- END -

Committee Vote:
Yes 12, No 7
Fiscal Note Required __

HB0660002SC12784.slk

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Finance and Claims** report that **House Bill 661** (third reading copy -- blue) **be concurred in as amended.**

Signed: _____
Senator Ryan Osmundson, Chair

To be carried by Senator Duane Ankney

And, that such amendments read:

1. Page 14.
Following: line 15
Insert: "NEW SECTION. **Section 13. Restriction on administrative costs.** The department of transportation may not retain any money from the increased revenue generated by [this act] for administrative purposes."
Renumber: subsequent sections

- END -

Committee Vote:
Yes 12, No 7
Fiscal Note Required X

HB0661003SC13799.slk

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Finance and Claims** report that **House Bill 685** (third reading copy -- blue) **be concurred in as amended.**

Signed: _____
Senator Ryan Osmundson, Chair

To be carried by Senator Ryan Osmundson

And, that such amendments read:

1. Title, page 1, line 5.
Following: "SECTION D;"
Insert: "GENERALLY REVISING LAWS REGARDING DRIVING UNDER THE INFLUENCE; PROVIDING DEFINITIONS, A DESCRIPTION OF DRIVING UNDER THE INFLUENCE CRIMES, TREATMENT REQUIREMENTS, SOBRIETY MONITORING PROGRAM, IMPLIED CONSENT AND ADMINISTRATIVE LICENSE SUSPENSION, APPEAL PROCESS, CONDITIONS OF ADMISSIBILITY, PROCESS FOR ADMINISTRATION OF TESTS, CONDITIONS FOR RECEIVING A PROBATIONARY DRIVER'S LICENSE, OPEN CONTAINER VIOLATION, AND REVOCATION AND SUSPENSION OF LICENSE PROCEDURES; PROVIDING RULEMAKING AUTHORITY; PROVIDING PENALTIES; PROVIDING DEFINITIONS; AMENDING SECTIONS 23-2-535, 44-4-1202, 44-4-1203, 44-4-1205, 45-5-106, 45-5-205, 45-5-207, 45-5-628, 46-16-130, 46-18-201, 46-18-236, 50-46-320, 53-9-103, 61-1-101, 61-2-107, 61-2-302, 61-5-125, 61-5-205, 61-5-208, 61-5-212, 61-5-218, 61-5-231, 61-5-405, 61-8-101, 61-8-102, 61-8-805, 61-8-807, 61-11-101, AND 67-1-211, MCA; REPEALING SECTIONS 61-8-401, 61-8-402, 61-8-403, 61-8-404, 61-8-405, 61-8-406, 61-8-407, 61-8-408, 61-8-409, 61-8-410, 61-8-411, 61-8-421, 61-8-422, 61-8-440, 61-8-441, 61-8-442, 61-8-460, 61-8-461, 61-8-465, 61-8-714, 61-8-722, 61-8-731, 61-8-732, 61-8-733, 61-8-734, AND 61-8-741, MCA;"
Following: the second "PROVIDING"
Strike: "AN"

Committee Vote:
Yes 10, No 9
Fiscal Note Required __

HB0685001SC12599.slk

Insert: "A DELAYED"

2. Title, page 1, line 6.
Following: "DATE"
Insert: "AND AN APPLICABILITY DATE"

3. Page 1, line 10 through 11.
Strike: line 10 through line 11 in their entirety
Insert: NEW SECTION. **Section 1. Definitions.** As used in [sections 1 through 17], unless the context requires otherwise and unless a different meaning plainly is required, the following definitions apply:

(1) "Aggravated driving under the influence" means a person is in violation of [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] and:

(a) the person's alcohol concentration, as shown by analysis of the person's blood, breath, or other bodily substance, is 0.16 or more;

(b) the person is under the order of a court or the department to equip any motor vehicle the person operates with an approved ignition interlock device;

(c) the person's driver's license or privilege to drive is suspended, canceled, or revoked as a result of a prior violation of driving under the influence, including a violation of [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence, or a similar offense under previous laws of this state or the laws of another state; or

(d) the person refuses to give a breath sample as required in [section 8] and the person's driver's license or privilege to drive was suspended, canceled, or revoked under the provisions of an implied consent statute.

(2) "Alcoholic beverage" means a compound produced for human consumption as a drink that contains 0.5% or more of alcohol by volume.

(3) "Alcohol concentration" means either grams of alcohol per 100 milliliters of blood or grams of alcohol per 210 liters of breath, including as used in 16-6-305, 23-2-535, 45-5-207, 67-1-211, and this title.

(4) "Bus" means a motor vehicle with a manufacturer's rated seating capacity of 11 or more passengers, including the driver.

(5) "Camper" has the meaning provided in 61-1-101.

(6) "Commercial motor vehicle" has the meaning provided in 61-1-101.

(7) "Drug" means any substance, that when taken into the human body can impair a person's ability to operate a vehicle safely. The term includes the meanings provided in 50-32-101(6), (7), and (14).

(8) "DUI court" means any court that has established a

special docket for handling cases involving persons convicted under [section 3 or 4] and that implements a program of incentives and sanctions intended to assist a participant to complete treatment ordered pursuant to [section 5] and to end the participant's criminal behavior associated with the use of alcohol or drugs.

(9) "Highway" has the meaning provided in 61-1-101, including the shoulders of the highway.

(10) "Motor home" has the meaning provided in 61-1-101.

(11) "Motor vehicle" has the meaning provided in 61-1-101.

(12) "Open alcoholic beverage container" means a bottle, can, jar, or other receptacle that contains any amount of an alcoholic beverage and that is open or has a broken seal or the contents of which are partially removed.

(13) "Passenger area" means the area designed to seat the driver and passengers while a motor vehicle is in operation and any area that is readily accessible to the driver or a passenger while the driver or a passenger is seated in the vehicle, including an unlocked glove compartment.

(14) "Passenger for hire" means a passenger for whom consideration is contributed or expected as a condition of carriage in the vehicle, whether directly or indirectly flowing to the owner, operator, agent, or any other person having an interest in the vehicle.

(15) "Prearranged ride" has the meaning provided in 69-12-101.

(16) "Under the influence" means that as a result of taking into the body alcohol, drugs, or any combination of alcohol and drugs, a person's ability to safely operate a vehicle has been diminished.

(17) "Vehicle" has the meaning provided in 61-1-101, except that the term does not include a bicycle."

Insert: NEW SECTION. **Section 2. Driving under influence.** (1) A person commits the offense of driving under the influence if the person drives or is in actual physical control of:

(a) a vehicle or a commercial motor vehicle upon the ways of this state open to the public while under the influence of alcohol, any drug, or a combination of alcohol and any drug;

(b) a noncommercial vehicle upon the ways of this state open to the public while the person's alcohol concentration, as shown by analysis of the person's blood, breath, or other bodily substance, is 0.08 or more;

(c) a commercial motor vehicle within this state while the person's alcohol concentration, as shown by analysis of the person's blood, breath, or other bodily substance, is 0.04 or more;

(d) a noncommercial vehicle within this state when a passenger for hire is a passenger in the vehicle at the time of the offense while the person's alcohol concentration, as shown by analysis of the person's blood, breath, or other bodily substance, is 0.04 or more;

(e) a noncommercial vehicle or commercial motor vehicle within this state while the person's delta-9-tetrahydrocannabinol level, excluding inactive metabolites, as shown by analysis of the person's blood or other bodily substance, is 5 ng/ml or more;

(f) a vehicle within this state when the person is under 21 years of age at the time of the offense while the person's alcohol concentration, as shown by analysis of the person's blood, breath, or other bodily substance, is 0.02 or more but less than 0.08.

(2) The fact that any person charged with a violation of subsection (1) is or has been entitled to use alcohol or a drug under the laws of this state does not constitute a defense against any charge of violating subsection (1).

(3) Upon the trial of any civil or criminal action or proceeding arising out of acts alleged to have been committed by any person driving or in actual physical control of a vehicle while under the influence of alcohol, the concentration of alcohol in the person at the time of a test, as shown by analysis of a sample of the person's blood, breath, or other bodily substance drawn or taken within a reasonable time after the alleged act, gives rise to the following inferences:

(a) if there was at that time an alcohol concentration of 0.04 or less, it may be inferred that the person was not under the influence of alcohol;

(b) if there was at that time an alcohol concentration in excess of 0.04 but less than 0.08, that fact may not give rise to any inference that the person was or was not under the influence of alcohol, but the fact may be considered with other competent evidence in determining the guilt or innocence of the person; and

(c) if there was at that time an alcohol concentration of 0.08 or more, it may be inferred that the person was under the influence of alcohol. The inference is rebuttable.

(4) The provisions of subsection (3) do not limit the introduction of any other competent evidence bearing on the issue of whether the person was under the influence of alcohol, drugs, or a combination of alcohol and drugs.

(5) Each municipality in this state is given authority to enact this section, with the word "state" changed to read "municipality", as an ordinance and is given jurisdiction of the enforcement of the ordinance and the imposition of the fines and penalties provided in the ordinance.

(6) Absolute liability, as provided in 45-2-104, is imposed for a violation of this section.

(7) When the same acts may establish the commission of an offense under subsection (1), a person charged with the conduct may be prosecuted for a violation of another relevant subsection under subsection (1). However, the person may be convicted of only one offense under this section or of a similar offense under previous laws of this state."

Insert: NEW SECTION. **Section 3. Penalty for driving under influence -- first through third offenses.** (1) (a) Except as

provided in subsection (1)(b) or (1)(c), a person convicted of a violation of [section 2(1)(a)] shall be punished as follows:

(i) for a first violation, by imprisonment for not less than 24 consecutive hours or more than 6 months and by a fine of not less than $600 or more than $1,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 48 consecutive hours or more than 1 year and by a fine of not less than $1,200 or more than $2,000;

(ii) for a second violation, by imprisonment for not less than 7 consecutive days or more than 1 year and by a fine of not less than $1,200 or more than $2,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 14 days or more than 1 year and a fine of not less than $2,400 or more than $4,000; or

(iii) for a third violation, by imprisonment for not less than 30 consecutive days or more than 1 year and by a fine of not less than $2,500 or more than $5,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 60 days or more than 1 year and by a fine of not less than $5,000 or more than $10,000.

(b) If the person has a prior conviction under 45-5-106, the person shall be punished as provided in [section 4] for a fourth or subsequent offense of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state.

(c) If the person has a prior conviction or pending charge for a violation of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state, and the violation meets the definition of aggravated driving under the influence in [section 1], the person shall be punished as provided in subsection (4) of this section.

(2) (a) Except as provided in subsection (2)(b) or (2)(c), a person convicted of a violation of [section 2(1)(b), (1)(c), (1)(d), or (1)(e)] shall be punished as follows:

(i) for a first violation, by imprisonment for not more than 6 months and by a fine of not less than $600 or more than $1,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not more than 6 months and by a fine of not less than $1,200 or more than $2,000;

(ii) for a second violation, by imprisonment for not less than 5 consecutive days or more than 1 year and by a fine of not less than $1,200 or more than $2,000, except that if one or more

passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 10 consecutive days or more than 1 year and by a fine of not less than $2,400 or more than $4,000; or

(iii) for a third violation, by imprisonment for not less than 30 consecutive days or more than 1 year and by a fine of not less than $2,500 or more than $5,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 60 consecutive days or more than 1 year and by a fine of not less than $5,000 or more than $10,000.

(b) If the person has a prior conviction under 45-5-106, the person shall be punished as provided in [section 4] for a fourth or subsequent offense of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state.

(c) If the person has a prior conviction or pending charge for a violation of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state, and the violation meets the definition for aggravated driving under the influence in [section 1], the person shall be punished as provided in subsection (4) of this section.

(3) (a) A person convicted of a violation of [section 2(1)(f)] shall be punished as follows:

(i) For a first violation, the person must be fined not less than $200 or more than $500, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be fined not less than $400 or more than $1,000. A conviction under this section may not be counted as a prior conviction under [section 2], a similar offense under previous laws of this state, or a similar offense under the laws of another state.

(ii) Except as provided in 61-8-723, for a second violation, the person shall be sentenced in accordance with subsection (2)(a)(ii). A conviction under this section may not be counted as a prior conviction under [section 2], a similar offense under previous laws of this state, or a similar offense under the laws of another state.

(iii) Except as provided in section 61-8-723, for a third or subsequent violation, the person shall be sentenced in accordance with subsection (2)(a)(iii). A conviction under this section may not be counted as a prior conviction under [section 2], a similar offense under previous laws of this state, or a similar offense under the laws of another state.

(4) (a) If a violation of [section 2] meets the definition of aggravated driving under the influence in [section 1], the

person shall be punished as follows:

(i) for a first violation, by imprisonment for not less than 2 consecutive days or more than 1 year and by a fine of $1,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 4 consecutive days or more than 1 year and by a fine of $2,000;

(ii) for a second violation, by imprisonment for not less than 15 consecutive days or more than 1 year and by a fine of $2,500, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 45 consecutive days or more than 1 year and by a fine of $5,000; or

(iii) For a third violation, by imprisonment for not less than 60 consecutive days or more than 1 year and by a fine of $5,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 120 days or more than 1 year and by a fine of $10,000.

(b) The mandatory minimum imprisonment term may not be served under home arrest and may not be suspended unless the judge finds that the imposition of the imprisonment sentence will pose a risk to the person's physical or mental well-being.

(c) The remainder of the imprisonment sentence may be suspended for a period of up to 1 year pending the person's successful completion of a chemical dependency treatment program pursuant to [section 5]. During any suspended portion of sentence imposed by the court:

(i) the person is subject to all conditions of the suspended sentence imposed by the court, including mandatory participation in drug or DUI courts, if available;

(ii) the person is subject to all conditions of the 24/7 sobriety and drug monitoring program, if available and if imposed by the court; and

(iii) if the person violates any condition of the suspended sentence or any treatment requirement, the court may impose the remainder of any imprisonment term that was imposed and suspended.

(d) If the person has a prior conviction or pending charge for a violation of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state, the person shall be punished as provided in this subsection (4).

(e) If the person has a prior conviction under 45-5-106, the person shall be punished as provided in [section 4] for a fourth or subsequent offense of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous

laws of this state or the laws of another state.

(5) In addition to the punishment provided in this section, regardless of disposition, the person shall comply with the chemical dependency education course and chemical dependency treatment provisions in [section 5] as ordered by the court."

Insert: NEW SECTION. **Section 4. Penalty for driving under influence -- fourth and subsequent offenses.** (1) Except as provided in subsection (4), a person is guilty of a felony if:

(a) the person is convicted of a violation of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state;

(b) the person has either a single conviction under 45-5-106 or any combination of three or more prior convictions under 45-5-104, 45-5-205, 45-5-628(1)(e), or driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state; and

(c) the offense under 45-5-104, if applicable, occurred while the person was operating a vehicle while under the influence of alcohol, a dangerous drug, any other drug, or any combination of the three, as provided in [section 2(1)].

(2) A person found guilty of a felony under subsection (1) shall be punished by:

(a) (i) being sentenced to the department of corrections for placement in an appropriate correctional facility or program for a term of not less than 13 months or more than 2 years. The court shall order that if the person successfully completes a residential alcohol treatment program approved by the department of corrections, the remainder of the sentence must be served on probation. The imposition or execution of the sentence may not be deferred or suspended, and the person is not eligible for parole.

(ii) being sentenced to either the department of corrections or the Montana state prison or Montana women's prison for a term of not more than 5 years, all of which must be suspended, to run consecutively to the term imposed under subsection (2)(a)(i); and

(iii) a fine of not less than $5,000 or more than $10,000; or

(b) being sentenced to an appropriate treatment court program for a term of not more than 5 years, with required completion, and a fine of not less than $5,000 or more than $10,000. If sentenced under this subsection (2)(b), the person may be entitled to a suspended sentence and is not eligible for a deferred imposition of sentence.

(3) The department of corrections may place an offender sentenced under subsection (2)(a) in a residential alcohol treatment program approved by the department of corrections.

(4) (a) A person meeting the following criteria shall be punished by imprisonment for not more than 10 years and by a fine of not less than $5,000 or more than $10,000:

(i) the person is convicted of a violation of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state;

(ii) the person has either a single conviction under 45-5-106 or any combination of four or more prior convictions under 45-5-104, 45-5-205, 45-5-628(1)(e), or driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state; and

(iii) the offense under 45-5-104, if applicable, occurred while the person was operating a vehicle while under the influence as provided in [section 1(1) and section 2] or a similar offense under previous laws of this state and the person was previously sentenced under either subsection (2)(a) or (2)(b).

(b) If sentenced under this subsection (4), the person is not eligible for a deferred sentence. If the court determines, based on the findings contained in a chemical dependency assessment prepared pursuant to [section 5], that a long-term residential alcohol treatment program affords a better opportunity for rehabilitation of the offender and for the protection of society, the offender's term of imprisonment may include placement in a long-term residential alcohol treatment program approved by the department of corrections. The court shall include in its judgment a statement of the reasons for its determination.

(5) If a person has previously been convicted and sentenced under subsection (4) on a different occasion other than the first, the person shall be fined not less than $5,000 or more than $10,000 and be sentenced to imprisonment for not more than 25 years. If sentenced under this subsection (5), the person is not eligible for a deferred sentence.

(6) The court shall, as a condition of probation, order that:

(a) the person abide by the standard conditions of probation promulgated by the department of corrections;

(b) a person who is financially able pay the costs of imprisonment, probation, and alcohol treatment under this section;

(c) the person may not frequent an establishment where alcoholic beverages are served;

(d) the person may not consume alcoholic beverages;

(e) the person may not operate a motor vehicle unless

authorized by the person's probation officer;

(f) the person enter in and remain in an aftercare treatment program for the entire probationary period;

(g) the person submit to random or routine drug and alcohol testing; and

(h) if the person is permitted to operate a motor vehicle, the vehicle be equipped with an ignition interlock device.

(7) The sentencing judge may impose on the defendant any other reasonable restrictions or conditions during the period of probation. Reasonable restrictions or conditions may include but are not limited to:

(a) payment of a fine as provided in 46-18-231;

(b) payment of costs as provided in 46-18-232 and 46-18-233;

(c) payment of costs of assigned counsel as provided in 46-8-113;

(d) community service;

(e) any other reasonable restrictions or conditions considered necessary for rehabilitation or for the protection of society; or

(f) any combination of the restrictions or conditions listed in subsections (7)(a) through (7)(e).

(8) Following initial placement of a defendant in a treatment facility under subsection (3), the department of corrections may, at its discretion, place the offender in another facility or program.

(9) The provisions of 46-18-203, 46-23-1001 through 46-23-1005, 46-23-1011 through 46-23-1014, and 46-23-1031 apply to persons sentenced under this section."

Insert: NEW SECTION. **Section 5. Driving under influence -- assessment, education, and treatment required.** (1) In addition to the punishments provided in [sections 3 and 4], regardless of disposition, a defendant convicted of a violation of driving under the influence, including [section 2], an offense that meets the definition of aggravated driving under the influence in [section 1], a similar offense under previous laws of this state or the laws of another state shall complete a chemical dependency assessment and:

(a) for a first conviction, except as provided in subsection (8)(b), a chemical dependency education course; or

(b) for a second or subsequent conviction for a violation of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state, except a fourth or subsequent conviction for which the defendant completes a residential alcohol treatment program under [section 4(3)], or as required by subsection (8) of this section, chemical dependency treatment.

(2) The sentencing judge may, in the judge's discretion, require the defendant to complete the chemical dependency assessment prior to sentencing the defendant. If the assessment

is not ordered or completed before sentencing, the judge shall order the chemical dependency assessment as part of the sentence.

(3) (a) The chemical dependency assessment must be conducted by a licensed addiction counselor. The chemical dependency education course must be conducted by a certified instructor at a treatment program approved by the department of public health and human services. In addition to the punishments provided in [sections 3 and 4], regardless of disposition, a defendant convicted of a violation of driving under the influence for a first or second time who does not meet the clinical criteria for moderate or severe chemical dependency must complete an evidence-based intervention that is appropriate to the level of offense and is approved by the department of public health and human services. For a first conviction, the evidence-based intervention may include a chemical dependency education course.

(b) The defendant may attend a treatment program of the defendant's choice as long as the treatment services are provided by a licensed addiction counselor. The defendant shall pay the cost of the assessment, the education course, and chemical dependency treatment and may use health insurance to cover the costs when possible.

(4) The assessment must be conducted by a licensed addiction counselor using national standard practice assessment and placement criteria that has been approved by the department of public health and human services. It must prescribe the level of care that is clinically warranted to treat the defendant's disorder. A defendant who disagrees with the initial assessment may, at the defendant's cost, obtain a second assessment provided by a licensed addiction counselor or a program approved by the department of public health and human services.

(5) The treatment provided to the defendant at a treatment program must be at a level of care prescribed in a defendant's clinical assessment as described in subsection (4). The rules defining levels of care and treatment must mandate evidence-based treatment programs or courses approved by the department that are likely to reduce recidivism. Upon determination, the court shall order the defendant's appropriate level of treatment. If more than one counselor makes a determination as provided in this subsection, the court shall order an appropriate level of treatment based on the determination of one of the counselors.

(6) Each counselor providing education or treatment shall, at the commencement of the education or treatment, notify the court that the defendant has been enrolled in a chemical dependency education course or treatment program. If the defendant fails to attend the course or treatment program, the counselor shall notify the court of the failure.

(7) A court or counselor may not require attendance at a self-help program other than at an open meeting, as that term is defined by the self-help program. A defendant may voluntarily participate in self-help programs.

(8) (a) Chemical dependency treatment must be ordered for a

first-time or second-time offender convicted of a violation of driving under the influence, including [section 2], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state, upon a finding of moderate or severe alcohol or drug use disorder made by a licensed addiction counselor pursuant to diagnosis and patient placement rules adopted by the department of public health and human services.

(b) If treatment is ordered under subsection (8)(a) for a first-time offender, the offender may not also be required to attend a chemical dependency education course.

(9) (a) On a third conviction, the treatment program provided for in subsection (5) must be one of the following:

(i) DUI or drug treatment court;

(ii) inpatient treatment, if the assessment completed supports it;

(iii) a chemical dependency treatment program operated through the department of corrections; or

(iv) outpatient treatment with appropriate clinical monitoring for a period specified in a defendant's individualized treatment plan.

(b) In the event that a defendant's chemical dependency assessment does not support any of the above, a defendant may petition the court for an alternative sentence.

(c) If the defendant is sentenced to a program operated through the department of corrections, the department shall confirm that space is available so that the court may order that the offender be placed into the chemical dependency treatment program.

(d) If a defendant fails to comply with the monitoring program imposed under subsection(9)(a)(iv), the court shall revoke the suspended sentence, if any, shall impose any remaining portion of the suspended sentence, and may include additional monthly monitoring for up to an additional 1 year.

(10) Notwithstanding 46-18-201(2), whenever a judge suspends a sentence imposed under [section 3] and orders the person to complete chemical dependency treatment under this section, the judge retains jurisdiction to impose any suspended sentence for up to 1 year."

Insert: NEW SECTION. **Section 6. Driving under influence -- ignition interlock device -- 24/7 sobriety and drug monitoring program.** (1) For a person convicted of a first offense of driving under the influence, including [section 2] or a similar offense under previous laws of this state or the laws of another state, the court may require the person to participate in a court-approved alcohol or drug detection testing program and to pay the fees associated with the testing program.

(2) On a second or subsequent conviction for a violation of driving under the influence, including [section 2], an offense that meets the definition of aggravated driving under the

influence in [section 1], or a similar offense under the laws of another state, or a second or subsequent conviction under 61-5-212 when the reason for the suspension or revocation was that the person was convicted of a violation of driving under the influence, including [section 2], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state, or the suspension was under [section 8] or a similar law of another state for refusal to take a test for alcohol or drugs requested by a peace officer who believed that the person might be driving under the influence, the court shall:

(a) require the person to participate in the 24/7 sobriety and drug monitoring program provided for in 44-4-1203 and to pay the fees associated with the program;

(b) restrict the person to driving only a motor vehicle equipped with a functioning ignition interlock device during the probationary period and require the person to pay the reasonable cost of leasing, installing, and maintaining the device; or

(c) require the person to participate in a court-approved alcohol or drug detection testing program and to pay the fees associated with the testing program."

Insert: NEW SECTION. **Section 7. Driving under influence -- conviction defined -- place of imprisonment -- home arrest -- exceptions -- deferral of sentence not allowed.** (1) (a) For the purpose of determining the number of convictions for prior offenses referred to in [sections 1 through 4], "conviction", as defined in 45-2-101, means:

(i) a final conviction in this state, or on a federally recognized Indian reservation, within a municipality for a municipal ordinance enacted under the authority granted in [section 2(5)];

(ii) a forfeiture, which has not been vacated, of bail or collateral deposited to secure the defendant's appearance in court in this state, in another state, or on a federally recognized Indian reservation; or

(iii) a conviction for a violation of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state.

(b) (i) Except as provided in subsection (1)(b)(ii), an offender is considered to have been previously convicted for the purposes of sentencing if less than 10 years have elapsed between the commission of the present offense and a previous conviction unless the offense is the offender's third or subsequent offense, in which case all previous convictions must be used for sentencing purposes.

(ii) Subsection (1)(b)(i) does not apply to an offender for whom an expungement pursuant to 46-18-1101 has been ordered.

(c) For the purpose of determining the number of subsequent convictions for a violation of driving under the influence,

including [sections 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state, the following must be counted:

(i) a previous conviction under [section 3] for violation of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state;

(ii) a previous conviction for a violation of 45-5-104 for which the offense under 45-5-104 occurred while the person was operating a vehicle in violation of driving under the influence, including [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], an offense that meets the definition of aggravated driving under the influence in [section 1], or a similar offense under previous laws of this state or the laws of another state; and

(iii) a previous conviction for a violation of 45-5-106, 45-5-205, or 45-5-628(1)(e).

(2) Except as provided in [section 4], the court may order that a term of imprisonment imposed under [section 3 or 4] be served in another facility made available by the county and approved by the sentencing court. The defendant, if financially able, shall bear the expense of the imprisonment in the facility. The court may impose restrictions on the defendant's ability to leave the premises of the facility and may require that the defendant follow the rules of the facility. The facility may be, but is not required to be, a community-based prerelease center as provided for in 53-1-203. The prerelease center may accept or reject a defendant referred by the sentencing court.

(3) Subject to the limitations set forth in [section 3] concerning minimum periods of imprisonment, the court may order that a term of imprisonment imposed under [section 3] be served by imprisonment under home arrest, as provided in Title 46, chapter 18, part 10.

(4) A court may not defer imposition of sentence under [section 3 or 4].

(5) The provisions of 61-2-107, 61-5-205(2), and 61-5-208(2), relating to suspension of driver's licenses and later reinstatement of driving privileges, apply to any conviction under [section 3] for a violation of [section 2]."

Insert: NEW SECTION. **Section 8. Implied consent -- blood or breath tests for alcohol, drugs, or both -- refusal to submit to test.** (1) A person who operates or is in actual physical control of a vehicle or commercial motor vehicle upon the ways of this state open to the public is considered to have given consent to a test or tests of the person's blood, breath, or other bodily substance for the purpose of determining any measured amount or detected presence of alcohol or drugs in the person's body.

(2) (a) The test or tests must be administered at the

direction of a peace officer when:

(i) the peace officer has particularized suspicion to believe that the person has been driving or has been in actual physical control of a vehicle or commercial motor vehicle upon the ways of this state open to the public while under the influence of alcohol, drugs, or a combination of the two and the person has been detained for a violation of driving under the influence as provided in [section 2] or an offense that meets the definition of aggravated driving under the influence in [section 1];

(ii) the person is under the age of 21 and the peace officer has particularized suspicion to believe that the person has been driving or in actual physical control of a vehicle in violation of [section 2(1)(f)]; or

(iii) the officer has probable cause to believe that the person was driving or in actual physical control of a vehicle or commercial motor vehicle:

(A) in violation of driving under the influence as provided in [section 2], and the person has been placed under arrest;

(B) in violation of driving under the influence as provided in [section 2], and the person has been involved in a motor vehicle crash or collision resulting in property damage;

(C) and the person has been involved in a motor vehicle crash or collision resulting in serious bodily injury, as defined in 45-2-101, or death; or

(D) in violation of driving under the influence as provided in [section 2] and meets the definition of aggravated driving under the influence in [section 1].

(b) A peace officer may designate which test or tests are administered.

(3) A person who is unconscious or who is otherwise in a condition rendering the person incapable of refusal has not withdrawn consent.

(4) If a person refuses to submit to one or more tests requested by the peace officer:

(a) the officer may apply for a search warrant to be issued pursuant to 46-5-224 to collect a sample of the person's blood for testing if any of the following apply:

(i) the person is under the order of a court or the department to equip any motor vehicle the person operates with an approved interlock ignition device;

(ii) the person has a passenger under the age of 16 in the vehicle;

(iii) the person has been involved in a motor vehicle crash or collision resulting in property damage, serious bodily injury as defined in 45-2-101, or death;

(iv) the person's driver's license or privilege to drive is suspended, canceled, or revoked under the provisions of an implied consent statute or as a result of a prior violation of driving under the influence, including a violation of [section 2(1)(a), (1)(b), (1)(c), (1)(d) or (1)(e)], an offense that meets

the definition of aggravated driving under the influence, or a similar offense under the previous laws of this state or the laws of another state; or

(v) the person has refused to provide a breath, blood, or other bodily substance under this section in a prior investigation in this state or under a substantially similar statute in another jurisdiction or the arrested person has a prior conviction or pending offense for a violation of 45-5-104, 45-5-106, 45-5-205, [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], or a similar statute in another jurisdiction; and

(b) the officer shall immediately seize the person's driver license and immediately forward the license to the department, along with a report certified under penalty of law stating the basis for the testing request and confirming that the person refused to submit to one or more tests requested by the peace officer.

(5) Upon seizure of a driver's license, the peace officer shall issue, on behalf of the department, a temporary driving permit, which is effective 24 hours after issuance and is valid for 5 days following the date of issuance, and shall provide the driver with written notice of the license suspension and the right to a hearing as provided in [section 9].

(6) A nonresident driver's license seized under this section must be sent by the department to the licensing authority of the nonresident's home state with a report of the nonresident's refusal to submit to one or more tests requested by the peace officer.

(7) This section does not apply to tests, samples, and analyses of blood, breath, or other bodily substances used for purposes of medical treatment or care of an injured motorist, related to a lawful seizure for a suspected violation of an offense not in this part, or performed pursuant to a search warrant.

(8) This section does not prohibit the release of information obtained from tests, samples, and analyses of blood or breath for law enforcement purposes as provided in 46-4-301 and [section 11(6)]."

Insert: NEW SECTION. **Section 9. Right of appeal to court.** (1) Within 30 days after notice of the right to a hearing has been given by a peace officer, a person may file a petition to challenge the license suspension or revocation in the district court in the county where the arrest was made.

(2) The court has jurisdiction and shall set the matter for hearing. The court shall give at least 10 days' written notice of the hearing to the county attorney of the county where the arrest was made and to the city attorney if the incident leading to the suspension or revocation resulted in a charge filed in a city or municipal court. The county attorney or city attorney may represent the state. If the county attorney and the city attorney cannot agree on who will represent the state, the county attorney shall represent the state.

(3) Upon request of the petitioner, the court may order the department to return the seized license or issue a stay of the suspension or revocation action pending the hearing.

(4) The court shall take testimony and examine the facts of the case, except that the issues are limited to whether:

(a) a peace officer had particularized suspicion to believe that the person had been driving or was in actual physical control of a vehicle within this state while under the influence of alcohol, drugs, or a combination of the two and the person was detained for a violation of [section 2] or met the definition of aggravated driving under the influence in [section 1];

(b) the person is under 21 years of age and was placed under arrest for a violation of [section 2(1)(f)];

(c) the officer had probable cause to believe that the person was driving or in actual physical control of a vehicle in violation of [section 2] and the person was involved in a motor vehicle accident or collision resulting in property damage, bodily injury, or death; and

(d) the person refused to submit to one or more tests designated by the officer.

(5) For a noncommercial driver whose refusal took place in a noncommercial vehicle, the court shall order the department to either:

(a) remove the refusal from the driving record because of the issues in subsection (4) and no other;

(b) keep the refusal on the driving record and order the department to suspend the driver's license or privilege to drive for the duration of the suspension period under [section 8]; or

(c) keep the refusal on the driving record and order the department to take no further suspension action against the driver.

(6) (a) For a commercial driver or for a driver operating a commercial motor vehicle, the court shall order the department to either:

(i) remove the refusal from the driving record because of the issues in subsection (4) and no other; or

(ii) keep the refusal on the driving record and order the department to suspend the driver's license or privilege to drive for the duration of the original suspension under [section 8] or 61-8-802.

(b) For a commercial driver or a driver who was operating a commercial vehicle, the court may not order the department to:

(i) leave the refusal on the driving record and not take the suspension under [section 8] or 61-8-802; or

(ii) permanently stay the suspension taken under [section 8] or 61-8-802.

(7) If the court does not issue a ruling on the appeal within 1 year of filing, the department shall deem the court to have denied the petition and shall suspend the driver for the duration of the original suspension under [section 8] or 61-8-802.

(8) This section does not grant a right of appeal to a state court if a driver's license is initially seized, suspended, or revoked pursuant to a tribal law or regulation that requires alcohol or drug testing of motor vehicle operators. "

Insert: NEW SECTION. **Section 10. Evidence admissible -- conditions of admissibility.** (1) Upon the trial of a criminal action or other proceeding arising out of acts alleged to have been committed by a person in violation of driving under the influence, including [section 2], an offense that meets the definition of aggravated driving under the influence in [section 1], a similar offense under previous laws of this state or the laws of another state, or 61-8-805:

(a) evidence of any measured amount or detected presence of alcohol, drugs, or a combination of alcohol and drugs in the person at the time of a test, as shown by an analysis of the person's blood, breath, or other bodily substance, is admissible. A positive test result does not, in itself, prove that the person was under the influence of a drug or drugs at the time the person was in control of a vehicle. A person may not be convicted of a violation of [section 2] based on the presence of a drug or drugs in the person unless some other competent evidence exists that tends to establish that the person was under the influence of a drug or drugs while driving or in actual physical control of a motor vehicle within this state.

(b) a report of the facts and results of one or more tests of a person's blood, breath, or other bodily substance is admissible in evidence if:

(i) a breath test or preliminary alcohol screening test was performed by a person certified by the forensic sciences division of the department to administer the test; or

(ii) a blood sample or other bodily substance sample was analyzed in a laboratory operated or certified by the department or in a laboratory exempt from certification under the rules of the department and, if the sample was blood, the blood was withdrawn from the person by a person competent to do so under [section 11(1)];

(c) a report of the facts and results of a physical, psychomotor, or physiological assessment of a person is admissible in evidence if it was made by a person trained by the department or by a person who has received training recognized by the department.

(2) If the person under arrest refused to submit to one or more tests under [section 8], whether or not a sample was subsequently collected for any purpose, proof of refusal is admissible in any criminal action or proceeding arising out of acts alleged to have been committed while the person was driving or in actual physical control of a vehicle upon the ways of this state open to the public while under the influence of alcohol, drugs, or a combination of alcohol and drugs. The trier of fact may infer from the refusal that the person was under the influence. The inference is rebuttable.

(3) The provisions of this part do not limit the introduction of any other competent evidence bearing on the question of whether the person was under the influence of alcohol, drugs, or a combination of alcohol and drugs. "

Insert: NEW SECTION. **Section 11. Administration of tests.** (1) Only a licensed physician, a registered nurse, a phlebotomist trained in a licensed hospital or educational institution, other medical personnel trained in a licensed hospital or educational institution to withdraw blood, or a law enforcement phlebotomist trained in a licensed hospital or educational institution that follows clinical and laboratory standards institute protocol regarding venipuncture standards may, at the order or request of a peace officer, withdraw blood for the purpose of determining any measured amount or detected presence of alcohol, drugs, or any combination of alcohol and drugs in the person. This limitation does not apply to the sampling of breath or other bodily substances. Blood draws by a law enforcement phlebotomist must be conducted in an environment that meets clinical and laboratory standards institute venipuncture standards and is approved by the department. The qualifications of the individual withdrawing the blood and the method used to withdraw the blood are not foundational prerequisites for the admissibility of a blood alcohol content or toxicological determination made pursuant to this subsection.

(2) In addition to any test administered at the direction of a peace officer, a person may request that an independent blood sample be drawn by a physician or registered nurse for the purpose of determining any measured amount or detected presence of alcohol, drugs, or any combination of alcohol and drugs in the person. The peace officer may not unreasonably impede the person's right to obtain an independent blood test. The officer may, but has no duty to, transport the person to a medical facility or otherwise assist the person in obtaining the test. The cost of an independent blood test is the sole responsibility of the person requesting the test. The failure or inability to obtain an independent test by a person does not preclude the admissibility in evidence of any test given at the direction of a peace officer.

(3) Upon the request of the person tested, full information concerning any test given at the direction of the peace officer must be made available to the person or the person's attorney.

(4) A licensed physician, registered nurse, phlebotomist trained in a licensed hospital or educational institution, or other medical personnel trained in a licensed hospital or educational institution does not incur any civil or criminal liability as a result of the proper administering of a blood test when requested in writing by a peace officer to administer the test.

(5) The department in cooperation with any appropriate agency shall adopt uniform rules for the giving of tests and may require certification of training to administer the tests as

considered necessary.

(6) If a peace officer has probable cause to believe that a person has violated [section 2], meets the definition of aggravated driving under the influence in [section 1], or has violated 61-8-805 and a sample of blood, breath, or other bodily substance is taken from that person for any reason, a portion of that sample sufficient for analysis must be provided to a peace officer if requested for law enforcement purposes and upon issuance of a subpoena as provided in 46-4-301. "

Insert: NEW SECTION. **Section 12. Ignition interlock device -- assisting in starting and operating -- circumventing -- penalty.** (1) It is unlawful for a person who is subject to a restriction under [section 14] to operate a vehicle that is not equipped with an ignition interlock device.

(2) A person may not knowingly assist a person who is restricted to the use of an ignition interlock device to start and operate the restricted person's vehicle.

(3) A person may not knowingly circumvent the operation of an ignition interlock device.

(4) A person convicted of a violation of this section shall be punished by a fine of not more than $500 or by imprisonment for not more than 6 months or both.

(5) This section does not apply if:

(a) the starting of a motor vehicle or the request to start a motor vehicle equipped with an ignition interlock device is done for the purpose of safety or mechanical repair of the device or the vehicle; and

(b) the person subject to the restriction does not operate the vehicle."

Insert: NEW SECTION. **Section 13. Department rules regarding ignition interlock devices -- ignition interlock device provider requirements.** (1) The department shall adopt rules providing for the approval of ignition interlock devices and the installation, calibration, repair, and removal of approved devices.

(2) The department's rules must be based on federal standards issued for similar devices.

(3) An ignition interlock device that is approved by the department must also:

(a) be designed so it does not impede safe operation of the vehicle;

(b) correlate well with the level established for alcohol impairment;

(c) work accurately and reliably in an unsupervised environment and under extreme weather conditions;

(d) require a deep lung breath sample or use an equally accurate measure of blood alcohol concentration equivalence;

(e) resist tampering and show evidence of tampering if it is attempted;

(f) be difficult to circumvent;

(g) minimize inconvenience of a sober user;

(h) operate reliably over the range of automobile

environments and in connection with various manufacturing standards; and

(i) be manufactured by a person who is adequately insured for product liability.

(4) An ignition interlock device provider shall include in any lease agreement for an ignition interlock device a warning that a person who knowingly tampers with, circumvents, or otherwise misuses the device is subject to criminal prosecution."

Insert: NEW SECTION. **Section 14. Driving under influence -- probationary driver's license.** (1) A probationary noncommercial driver's license may be issued to a person convicted of a first offense for misdemeanor driving under the influence unless the report of conviction includes a statement that the court does not recommend a probationary license.

(2) If recommending a probationary license for a person convicted of a second or subsequent offense for misdemeanor driving under the influence, the court shall for the duration of the suspension under 61-5-208:

(a) require the person to participate in the 24/7 sobriety and drug monitoring program provided for in 44-4-1203 and to pay the fees associated with the program;

(b) restrict the person to driving only a motor vehicle equipped with a functioning ignition interlock device during the probationary period and require the person to pay the reasonable cost of leasing, installing, and maintaining the device; or

(c) require the person to participate in a court-approved alcohol or drug detection testing program and to pay the fees associated with the testing program."

Insert: NEW SECTION. **Section 15. Unlawful possession of open alcoholic beverage container in motor vehicle on highway.** (1) Except as provided in subsection (2), a person commits the offense of unlawful possession of an open alcoholic beverage container in or on a motor vehicle if the person knowingly possesses an open alcoholic beverage container within the passenger area of a motor vehicle on a highway.

(2) This section does not apply to an open alcoholic beverage container:

(a) in a locked glove compartment or storage compartment;

(b) in a motor vehicle trunk or luggage compartment or rack, or in a truck bed or cargo compartment;

(c) behind the last upright seat of a motor vehicle that is not equipped with a trunk;

(d) in a closed container in the area of a motor vehicle that is not equipped with a trunk and that is not normally occupied by the driver or a passenger; or

(e) in the immediate possession of a passenger:

(i) of a bus, taxi, limousine, or prearranged ride that is used for the transportation of persons for compensation and that includes the provision of a hired driver; or

(ii) in the living quarters of a camper, travel trailer, or motor home.

(3) Subsections (2)(a), (2)(b), (2)(c), and (2)(d) apply only to transportation of open alcoholic beverage containers and do not allow for the consumption of alcoholic beverages in these areas in or on a vehicle.

(4) (a) A person convicted of the offense of unlawful possession of an open alcoholic beverage container in a motor vehicle shall be fined an amount not to exceed $100.

(b) A violation of this section is not a criminal offense within the meaning of 3-1-317, 3-1-318, 45-2-101, 46-18-236, 61-8-104, and 61-8-711 and may not be recorded or charged against a driver's record, and an insurance company may not hold a violation of this section against the insured or increase premiums because of the violation. The surcharges provided for in 3-1-317, 3-1-318, and 46-18-236 may not be imposed for a violation of this section."

Insert: NEW SECTION. **Section 16. Suspension of imprisonment sentence for DUI court participation.** (1) If a person participates in a DUI court, the court may, at the court's discretion, suspend all or a portion of an imprisonment sentence under [section 3], except for the mandatory minimum imprisonment term.

(2) If a person participating in a DUI court fails to comply with the conditions imposed by the DUI court, the court shall revoke the suspended imprisonment sentence and any sentence subsequently imposed must commence from the effective date of the revocation. "

Insert: NEW SECTION. **Section 17. Mandatory suspension of license following certain implied consent action.** (1) The department shall suspend an individual's driver license if the department receives a report for an implied consent violation from law enforcement or another reporting jurisdiction that, pursuant to [section 8], an individual has refused a test or tests of the person's blood, breath, or other bodily substance for determining any measured amount or detected presence of alcohol or drugs in the person's body.

(2) (a) Except as permitted by law, a person whose license or privilege to drive a motor vehicle on the public highways has been suspended may not have the license or privilege renewed or restored until the revocation or suspension duration has been completed.

(b) The department shall apply the appropriate sanction to the driver based on the reported conviction and prior offenses.

(c) The driver shall pay all reinstatement and administrative fees owed to the department before a driver's license or privilege to drive is restored.

(d) The duration of the suspension commences from the date of violation.

(e) If a person refuses tests for the same incident, the department may not consider each a separate refusal for purposes of suspension.

(f) The department may not issue a probationary license

during the suspension issued under this part.

(3) (a) A person who has an implied consent violation shall pay the department an administrative fee of $300, which must be deposited in the state special revenue account established pursuant to subsection (3)(b).

(b) There is a blood-draw search warrant processing account in the state special revenue fund established pursuant to 17-2-102(1)(b). Money provided to the department of justice pursuant to this subsection (3) must be deposited in the account and may be used only for providing forensic analysis of a driver's blood to determine the presence of alcohol or drugs.

(4) (a) Upon receiving a report of an implied consent violation, the department shall:

(i) for a first violation, suspend the driver's license or driving privilege for 6 months; or

(ii) for a second violation, suspend the driver's license or driving privilege for 1 year.

(b) If a person who refuses to submit to one or more tests under this section is the holder of a commercial driver's license or was driving a commercial vehicle at the time of the refusal, in addition to any action taken against the driver's noncommercial driving privileges, the department shall apply a major offense to the driving record and take the appropriate suspension as provided in 61-8-802.

(5) A nonresident driver's license seized under this section must be sent by the department to the licensing authority of the nonresident's home state with a report of the nonresident's refusal to submit to one or more tests.

(6) The department may recognize the seizure of a license of a tribal member by a peace officer acting under the authority of a tribal government or an order issued by a tribal court suspending, revoking, or reinstating a license or adjudicating a license seizure if the actions are conducted pursuant to tribal law or regulation requiring alcohol or drug testing of motor vehicle operators and the conduct giving rise to the actions occurred within the exterior boundaries of a federally recognized Indian reservation in this state. Action by the department under this subsection is not reviewable under [section 9]."

Insert: Section 18. Section 23-2-535, MCA, is amended to read:

"23-2-535. Alcohol concentration standards -- evidence admissible -- administration of tests. (1) The inferences contained in ~~61-8-401(4)~~ [section 2(3)] apply to any criminal action or proceeding arising out of acts alleged to have been committed in violation of 23-2-523(2).

(2) Evidence of any measured amount or detected presence of alcohol in a person at the time of the act alleged, as shown by analysis of the person's blood, breath, or urine, and any other competent evidence bearing on the question of whether the person was under the influence of alcohol, drugs, or a combination of the two at the time of the act alleged is admissible in any criminal action or proceeding arising out of acts alleged to have

been committed in violation of 23-2-523(2).

(3) If a person charged with violation of 23-2-523(2) refuses to submit to a test of the person's blood, breath, or urine for the purpose of determining any measured amount or detected presence of alcohol, none will be given, but proof of refusal is admissible in any criminal action or proceeding arising out of acts alleged to have been committed in violation of 23-2-523(2).

(4) The provisions relating to administration of tests provided in ~~61-8-405~~ [section 11] and the definition of alcohol concentration provided in ~~61-8-407~~ [section 1] apply to any testing done to a person charged with violation of 23-2-523(2).

(5) As used in 23-2-523(2), the term "under the influence" has the meaning provided in ~~61-8-401(3)~~ [section 1]."

Insert: Section 19. Section 44-4-1202, MCA, is amended to read:

"**44-4-1202. Purpose -- definitions.** (1) The legislature declares that driving in Montana upon a way of this state open to the public is a privilege, not a right. A driver who wishes to enjoy the benefits of this privilege shall accept the corresponding responsibilities.

(2) The legislature further declares that the purpose of this part is:

(a) to protect the public health and welfare by reducing the number of people on Montana's highways who drive under the influence of alcohol or dangerous drugs;

(b) to protect the public health and welfare by reducing the number of repeat offenders for crimes in which the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime;

(c) to strengthen the pretrial and posttrial options available to prosecutors and judges in responding to repeat DUI offenders or other repeat offenders who commit crimes in which the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime; and

(d) to ensure timely and sober participation in judicial proceedings.

(3) As used in this part, the following definitions apply:

(a) "Core components" means those elements of a sobriety program that analysis demonstrates are most likely to account for positive program outcomes.

(b) "Dangerous drug" has the meaning provided in 50-32-101.

(c) "Department" means the department of justice provided for in 2-15-2001.

(d) "Immediate sanction" means a sanction that is applied within minutes of a noncompliant test event.

(e) "Law enforcement agency" means the county sheriff's office or another law enforcement agency designated by the county sheriff's office that is charged with enforcing the sobriety program.

(f) "Sobriety program" or "program" means the 24/7 sobriety

and drug monitoring program established in 44-4-1203, which authorizes a court or an agency as defined in 2-15-102, as a condition of bond, sentence, probation, parole, or work permit, to:

(i) require an individual who has been charged with or convicted of a crime in which the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime, including but not limited to a second or subsequent offense of driving under the influence of alcohol or dangerous drugs, to abstain from alcohol or dangerous drugs for a period of time; and

(ii) require the individual to be subject to testing to determine the presence of alcohol or dangerous drugs~~:~~.

~~(A) twice a day at a central location where immediate sanctions may be applied;~~

~~(B) when testing twice a day is impractical, by continuous, remote sensing, or transdermal alcohol monitoring by means of an electronic monitoring device that allows timely sanctions to be applied; or~~

~~(C) with the concurrence of the department, by an alternate method that is consistent with 44-4-1203.~~

(g) "Testing" means a procedure for determining the presence and level of alcohol or a dangerous drug in an individual's breath or body fluid, including blood, urine, saliva, or perspiration, and includes any combination of the use of in-person or remote breath testing, drug patch testing, urinalysis testing, saliva testing, or continuous remote ~~sensing, or~~ transdermal alcohol monitoring. With the concurrence of the department and consistent with 44-4-1203, alternate body fluids may be approved for testing.

(h) "Timely sanction" means a sanction that is applied as soon as practical following a noncompliant test event.""

Insert: Section 20. Section 44-4-1203, MCA, is amended to read:

"44-4-1203. Sobriety and drug monitoring program created. (1) There is a statewide 24/7 sobriety and drug monitoring program within the department to be administered by the attorney general.

(2) (a) The core components of the sobriety program must include use of a primary testing methodology for the presence of alcohol or dangerous drugs that:

(i) best facilitates the ability to apply immediate sanctions for noncompliance; and

(ii) is available at an affordable cost.

(b) Primary testing methods for alcohol include twice-a-day, in-person breath testing at a central location and other methodologies approved by the department. Primary testing methodologies must utilize devices that are capable of determining alcohol concentrations below an equivalent breath alcohol concentration of 0.010 grams per 210 liters of breath. If the primary testing methodology is a breath alcohol analysis, the device utilized must be listed on the most recent conforming

products list for evidential breath alcohol measurement devices as published by the national highway traffic safety administration.

~~(b)~~ (c) In cases of hardship or when a sobriety program participant is subject to less-stringent testing requirements, testing methodologies with timely sanctions for noncompliance may be utilized. Hardship testing methodologies include the use of transdermal alcohol monitoring devices, remote breath test devices, and other methods approved by the department. A hardship testing methodology may be used if the court or agency determines that hardship factors, including but not limited to distance from or lack of access to a primary testing method site, prevent the reasonable use of a primary testing method.

(3) The sobriety program must be supported by evidence of effectiveness and satisfy at least two of the following categories:

(a) the program is included in the federal registry of evidence-based programs and practices;

(b) the program has been reported in a peer-reviewed journal as having positive effects on the primary targeted outcome; or

(c) the program has been documented as effective by informed experts and other sources.

(4) If a law enforcement agency chooses to participate in the sobriety program, the department shall assist in the creation and administration of the program in the manner provided in this part. The department shall also assist entities participating in the program in determining alternatives to incarceration.

(5) (a) If a law enforcement agency participates in the program, the law enforcement agency may designate an entity to provide the testing services or to take any other action required or authorized to be provided by the law enforcement agency pursuant to this part, except that the law enforcement agency's designee may not determine whether to participate in the sobriety program.

(b) The law enforcement agency shall establish the testing locations and times for the county but must have at least one testing location and two daily testing times approximately 12 hours apart.

~~(6) Any efforts by the department to alter or modify the core components of the statewide sobriety program must include a documented strategy for achieving and measuring the effectiveness of the proposed modifications. Before core components may be modified, a pilot program with defined objectives and timelines must be initiated in which measurements of the effectiveness and impact of any proposed modifications to the core components are monitored. The data collected from the pilot program must be assessed by the department, and a determination must be made as to whether the stated goals were achieved and whether the modifications should be formally implemented in the sobriety program.~~

~~(7)~~(6) All alcohol or drug testing ordered by a court must utilize the data management technology plan provided for in 44-4-1204(4). All alcohol or drug testing ordered by a court must utilize the data management technology system in accordance with the data management technology plan provided for in 44-4-1204(4). The data is owned by the state and maintained by the department. Approved testing methodologies, whether designated as primary or hardship, must be capable of electronically transferring data directly into the data management technology system through a department-approved interface.

~~(8)~~(7) ~~Alcohol~~ In order to provide a more complete record of drug and alcohol testing results, any alcohol or drug testing required by ~~the department of corrections pursuant to this part~~ other state or local agencies ~~must~~ may utilize the data management technology ~~plan provided for in 44-4-1204(4)~~ system."" **Insert: Section 21.** Section 44-4-1205, MCA, is amended to read:

"44-4-1205. Authority of court to order participation in sobriety and drug monitoring program -- probationary license -- imposition of conditions. (1) (a) Any court or agency utilizing the sobriety program may stay any sanctions that it imposed against an offender while the offender is in compliance with the sobriety program.

(b) If an individual convicted of the offense of aggravated driving under the influence ~~in violation of 61-8-465~~ as defined in [section 1], a second or subsequent offense of driving under the influence in violation of ~~61-8-401~~ [section 2], or a second or subsequent offense of driving with excessive alcohol concentration in violation of ~~61-8-406~~ [section 2(1)(b), (1)(c), or (1)(d)] has been required to participate in the sobriety program, the court may, upon the individual's ~~successful completion of a court-approved chemical dependency treatment program and~~ obtaining proof of insurance pursuant to 61-6-301, notify the department that as a participant in the sobriety program, the individual is eligible for a restricted probationary driver's license pursuant to 61-2-302, notwithstanding the requirements of 61-5-208 that an individual is required to complete a certain portion of a suspension period before a probationary license may be issued.

(c) If the individual fails to comply with the requirements of the sobriety program, the court may notify the department of the individual's noncompliance and direct the department to withdraw the individual's probationary driver's license and reinstate the remainder of the suspension period provided in 61-5-208.

(2) Upon an offender's participation in the sobriety program and payment of the fees required by 44-4-1204:

(a) the court may condition any bond or pretrial release for an individual charged with ~~a violation of 61-8-465~~ aggravated driving under the influence as defined in [section 1], a second or subsequent violation of ~~61-8-401 or 61-8-406~~ [section 2(1)(a),

(1)(b), (1)(c), (1)(d), or (1)(e)] or aggravated driving under the influence as defined in [section 1], or a second or subsequent violation of any other statute that imposes a jail penalty of 6 months or more if the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime;

(b) the court may condition the granting of a suspended execution of sentence or probation for an individual convicted of ~~a violation of 61-8-465~~ aggravated driving under the influence as defined in [section 1], a second or subsequent violation of ~~61-8-401 or 61-8-406~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] or aggravated driving under the influence as defined in [section 1], or a second or subsequent violation of any other statute that imposes a jail penalty of 6 months or more if the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime;

(c) the board of pardons and parole may condition parole for ~~a violation of 61-8-465~~ aggravated driving under the influence as defined in [section 1], a second or subsequent violation of ~~61-8-401 or 61-8-406~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] or aggravated driving under the influence as defined in [section 1], or a second or subsequent violation of any other statute that imposes a jail penalty of 6 months or more if the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime; or

(d) the department of corrections may establish conditions for conditional release for ~~a violation of 61-8-465~~ aggravated driving under the influence as defined in [section 1], a second or subsequent violation of ~~61-8-401 or 61-8-406~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] or aggravated driving under the influence as defined in [section 1], or a second or subsequent violation of any other statute that imposes a jail penalty of 6 months or more if the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime.

(3) An entity referred to in subsections (2)(a) through (2)(d) may condition any bond or pretrial release, suspended execution of sentence, probation, parole, or conditional release as provided in those subsections for an individual charged with or convicted of a violation of any statute involving domestic abuse or the abuse or neglect of a minor if the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime regardless of whether the charge or conviction was for a first, second, or subsequent violation of the statute.

(4) A person is eligible to participate in and a court may compel a person to participate in a sobriety program if the person:

(a) is charged with ~~violating 61-8-465~~ aggravated driving under the influence as defined in [section 1]; or

(b) (i) is charged with or has been convicted of violating ~~61-8-401 or 61-8-406~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] or aggravated driving under the influence as defined in [section 1]; and

(ii) at any time in the 10 years preceding the date of the current charge or conviction:

(A) has been convicted in this state of a violation of ~~61-8-401, 61-8-406, or 61-8-465~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] or aggravated driving under the influence as defined in [section 1];

(B) has been convicted of a violation of a statute or regulation in another state or on a federally recognized Indian reservation that is similar to ~~61-8-401, 61-8-406, or 61-8-465~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] or aggravated driving under the influence as defined in [section 1]; or

(C) has forfeited bail or collateral deposited to secure the defendant's appearance in court in this state, in another state, or on a federally recognized Indian reservation for a charge of violating ~~61-8-401, 61-8-406, 61-8-465~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] or aggravated driving under the influence as defined in [section 1], or a similar statute or regulation and the forfeiture has not been vacated.

(5) As used in this section, "conviction" has the meaning provided in 45-2-101.""

Insert: Section 22. Section 45-5-106, MCA, is amended to read:

"45-5-106. Vehicular homicide while under influence. (1) A person commits the offense of vehicular homicide while under the influence if the person negligently causes the death of another human being while the person is operating a vehicle in violation of ~~61-8-401, 61-8-406, or 61-8-411~~ [section 2(1)].

(2) Vehicular homicide while under the influence is not an included offense of deliberate homicide as described in 45-5-102(1)(b).

(3) A person convicted of vehicular homicide while under the influence shall be imprisoned in a state prison for a term not to exceed 30 years or be fined an amount not to exceed $50,000, or both. Imposition of a sentence may not be deferred.""

Insert: Section 23. Section 45-5-205, MCA, is amended to read:

"45-5-205. Negligent vehicular assault -- penalty. (1) A person who negligently operates a vehicle, other than a bicycle as defined in 61-8-102, while under the influence of alcohol, a dangerous drug, any other drug, or any combination of the three, as provided for in ~~61-8-401(1)~~ [section 2], and who causes bodily injury to another commits the offense of negligent vehicular assault.

(2) Subject to subsection (3), a person convicted of the offense of negligent vehicular assault shall be fined an amount not to exceed $1,000 or incarcerated in a county jail for a term not to exceed 1 year, or both, and shall be ordered to pay restitution as provided in 46-18-241.

(3) A person convicted of the offense of negligent vehicular assault who caused serious bodily injury to another shall be fined an amount not to exceed $10,000 or incarcerated for a term not to exceed 10 years, or both, and shall be ordered

to pay restitution as provided in 46-18-241.

(4) If a term of incarceration is imposed under subsection (2) or (3), the judge may suspend the term of incarceration upon the condition of payment of any fine imposed and of restitution. If the person does not pay the fine or restitution, the term of incarceration may be imposed.""

Insert: Section 24. Section 45-5-207, MCA, is amended to read:

"**45-5-207. Criminal endangerment -- penalty.** (1) A person who knowingly engages in conduct that creates a substantial risk of death or serious bodily injury to another commits the offense of criminal endangerment. This conduct includes but is not limited to knowingly placing in a tree, log, or any other wood any steel, iron, ceramic, or other substance for the purpose of damaging a saw or other wood harvesting, processing, or manufacturing equipment.

(2) A high blood alcohol concentration~~, as provided in 61-8-407,~~ alone is not sufficient to support a criminal endangerment charge.

(3) A person convicted of the offense of criminal endangerment shall be fined an amount not to exceed $50,000 or imprisoned in the state prison for a term not to exceed 10 years, or both.

(4) As used in this section, "alcohol concentration" has the meaning provided in [section 1].""

Insert: Section 25. Section 45-5-628, MCA, is amended to read:

"**45-5-628. Criminal child endangerment.** (1) A person commits the offense of criminal child endangerment if the person purposely, knowingly, or negligently causes substantial risk of death or serious bodily injury to a child under 14 years of age by:

(a) failing to seek reasonable medical care for a child suffering from an apparent acute life-threatening condition;

(b) placing a child in the physical custody of another who the person knows has previously purposely or knowingly caused bodily injury to a child;

(c) placing a child in the physical custody of another who the person knows has previously committed an offense against the child under 45-5-502 or 45-5-503;

(d) manufacturing or distributing dangerous drugs in a place where a child is present;

(e) operating a motor vehicle under the influence of alcohol or dangerous drugs in violation of ~~61-8-401, 61-8-406, 61-8-410, or 61-8-465~~ [section 2] or committing aggravated driving under the influence as defined in [section 1] with a child in the vehicle; or

(f) failing to attempt to provide proper nutrition for a child, resulting in a medical diagnosis of nonorganic failure to thrive.

(2) A person may not be charged under subsection (1)(b) or (1)(c) if the person placed the child in the other person's custody pursuant to a court order.

(3) A person convicted of the offense of criminal child endangerment shall be fined an amount not to exceed $50,000 or be imprisoned in the state prison for a term not to exceed 10 years, or both.

(4) For purposes of this section, "nonorganic failure to thrive" means inadequate physical growth that is a result of insufficient nutrition and is not secondary to a diagnosed medical condition.""

Insert: Section 26. Section 46-16-130, MCA, is amended to read:

"46-16-130. Pretrial diversion. (1) (a) Prior to the filing of a charge, the prosecutor and a defendant who has counsel or who has voluntarily waived counsel may agree to the deferral of a prosecution for a specified period of time based on one or more of the following conditions:

(i) that the defendant may not commit any offense;

(ii) that the defendant may not engage in specified activities, conduct, and associations bearing a relationship to the conduct upon which the charge against the defendant is based;

(iii) that the defendant shall participate in a supervised rehabilitation program, which may include treatment, counseling, training, or education;

(iv) that the defendant shall make restitution in a specified manner for harm or loss caused by the offense; or

(v) any other reasonable conditions.

(b) The agreement must be in writing, must be signed by the parties, and must state that the defendant waives the right to speedy trial for the period of deferral. The agreement may include stipulations concerning the admissibility of evidence, specified testimony, or dispositions if the deferral of the prosecution is terminated and there is a trial on the charge.

(c) The prosecution must be deferred for the period specified in the agreement unless there has been a violation of its terms.

(d) The agreement must be terminated and the prosecution automatically dismissed with prejudice upon expiration and compliance with the terms of the agreement.

(2) A condition of pretrial diversion may be for the court to refer a defendant for evaluation to determine the appropriateness of proceedings pursuant to Title 53, chapter 21.

(3) Except as provided in 46-1-1104 and 46-1-1204, after a charge has been filed, a deferral of prosecution may be entered into only after the prosecutor provides notice to the court.

(4) A prosecution for a violation of ~~61-8-401, 61-8-406, 61-8-410, 61-8-411, or 61-8-465~~ [section 2 or aggravated driving under the influence as defined in [section 1] may not be deferred.""

Insert: Section 27. Section 46-18-201, MCA, is amended to read:

"46-18-201. Sentences that may be imposed. (1) (a) Whenever a person has been found guilty of an offense upon a verdict of

guilty or a plea of guilty or nolo contendere, a sentencing judge may defer imposition of sentence, except as otherwise specifically provided by statute, for a period:

(i) not exceeding 1 year for a misdemeanor or for a period not exceeding 3 years for a felony; or

(ii) not exceeding 2 years for a misdemeanor or for a period not exceeding 6 years for a felony if a financial obligation is imposed as a condition of sentence for either the misdemeanor or the felony, regardless of whether any other conditions are imposed.

(b) Except as provided in 46-18-222, imposition of sentence in a felony case may not be deferred in the case of an offender who has been convicted of a felony on a prior occasion, whether or not the sentence was imposed, imposition of the sentence was deferred, or execution of the sentence was suspended.

(2) Whenever a person has been found guilty of an offense upon a verdict of guilty or a plea of guilty or nolo contendere, a sentencing judge may suspend execution of sentence, except as otherwise specifically provided by statute, for a period up to the maximum sentence allowed or for a period of 6 months, whichever is greater, for each particular offense.

(3) (a) Whenever a person has been found guilty of an offense upon a verdict of guilty or a plea of guilty or nolo contendere, a sentencing judge may impose a sentence that may include:

(i) a fine as provided by law for the offense;

(ii) payment of costs, as provided in 46-18-232, or payment of costs of assigned counsel as provided in 46-8-113;

(iii) a term of incarceration, as provided in Title 45 for the offense, at a county detention center or at a state prison to be designated by the department of corrections;

(iv) commitment of:

(A) an offender not referred to in subsection (3)(a)(iv)(B) to the department of corrections with a recommendation for placement in an appropriate correctional facility or program; however, all but the first 5 years of the commitment to the department of corrections must be suspended, except as provided in 45-5-503(4), 45-5-507(5), 45-5-601(3), 45-5-602(3), 45-5-603(2)(b), and 45-5-625(4); or

(B) a youth transferred to district court under 41-5-206 and found guilty in the district court of an offense enumerated in 41-5-206 to the department of corrections for a period determined by the court for placement in an appropriate correctional facility or program;

(v) chemical treatment of sexual offenders, as provided in 45-5-512, if applicable, that is paid for by and for a period of time determined by the department of corrections, but not exceeding the period of state supervision of the person;

(vi) commitment of an offender to the department of corrections with the requirement that immediately subsequent to sentencing or disposition the offender is released to community

supervision and that any subsequent violation must be addressed as provided in 46-23-1011 through 46-23-1015; or

(vii) any combination of subsections (2) and (3)(a)(i) through (3)(a)(vii).

(b) A court may permit a part or all of a fine to be satisfied by a donation of food to a food bank program.

(4) When deferring imposition of sentence or suspending all or a portion of execution of sentence, the sentencing judge may impose on the offender any reasonable restrictions or conditions during the period of the deferred imposition or suspension of sentence. Reasonable restrictions or conditions imposed under subsection (1)(a) or (2) may include but are not limited to:

(a) limited release during employment hours as provided in 46-18-701;

(b) incarceration in a detention center not exceeding 180 days;

(c) conditions for probation;

(d) payment of the costs of confinement;

(e) payment of a fine as provided in 46-18-231;

(f) payment of costs as provided in 46-18-232 and 46-18-233;

(g) payment of costs of assigned counsel as provided in 46-8-113;

(h) with the approval of the facility or program, an order that the offender be placed in a community corrections facility or program as provided in 53-30-321;

(i) with the approval of the prerelease center or prerelease program and confirmation by the department of corrections that space is available and that the offender is a suitable candidate, an order that the offender be placed in a chemical dependency treatment program, prerelease center, or prerelease program for a period not to exceed 1 year;

(j) community service;

(k) home arrest as provided in Title 46, chapter 18, part 10;

(l) payment of expenses for use of a judge pro tempore or special master as provided in 3-5-116;

(m) participation in a day reporting program provided for in 53-1-203;

(n) participation in the 24/7 sobriety and drug monitoring program provided for in Title 44, chapter 4, part 12, for a violation of ~~61-8-465~~ aggravated driving under the influence as defined in [section 1], a ~~second or subsequent~~ violation of ~~61-8-401, 61-8-406, or 61-8-411~~ [section 2], or a second or subsequent violation of any other statute that imposes a jail penalty of 6 months or more if the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime or for a violation of any statute involving domestic abuse or the abuse or neglect of a minor if the abuse of alcohol or dangerous drugs was a contributing factor in the commission of the crime regardless of whether the charge or conviction was for a first,

second, or subsequent violation of the statute;

(o) participation in a restorative justice program approved by court order and payment of a participation fee of up to $150 for program expenses if the program agrees to accept the offender;

(p) any other reasonable restrictions or conditions considered necessary for rehabilitation or for the protection of the victim or society;

(q) with approval of the program and confirmation by the department of corrections that space is available, an order that the offender be placed in a residential treatment program; or

(r) any combination of the restrictions or conditions listed in this subsection (4).

(5) In addition to any other penalties imposed, if a person has been found guilty of an offense upon a verdict of guilty or a plea of guilty or nolo contendere and the sentencing judge finds that a victim, as defined in 46-18-243, has sustained a pecuniary loss, the sentencing judge shall, as part of the sentence, require payment of full restitution to the victim, as provided in 46-18-241 through 46-18-249, whether or not any part of the sentence is deferred or suspended.

(6) In addition to any of the penalties, restrictions, or conditions imposed pursuant to subsections (1) through (5), the sentencing judge may include the suspension of the license or driving privilege of the person to be imposed upon the failure to comply with any penalty, restriction, or condition of the sentence. A suspension of the license or driving privilege of the person must be accomplished as provided in 61-5-214 through 61-5-217.

(7) In imposing a sentence on an offender convicted of a sexual or violent offense, as defined in 46-23-502, the sentencing judge may not waive the registration requirement provided in Title 46, chapter 23, part 5.

(8) If a felony sentence includes probation, the department of corrections shall supervise the offender unless the court specifies otherwise.

(9) When imposing a sentence under this section that includes incarceration in a detention facility or the state prison, as defined in 53-30-101, the court shall provide credit for time served by the offender before trial or sentencing.

(10) As used in this section, "dangerous drug" has the meaning provided in 50-32-101.""

Insert: Section 28. Section 46-18-236, MCA, is amended to read:

"46-18-236. (Temporary) Imposition of charge upon conviction or forfeiture -- administration. (1) Except as provided in subsection (2), there must be imposed by all courts of original jurisdiction on a person upon conviction for any conduct made criminal by state statute or upon forfeiture of bond or bail a charge that is in addition to other taxable court costs, fees, or fines, as follows:

(a) $15 for each misdemeanor charge;

(b) the greater of $20 or 10% of the fine levied for each felony charge; and

(c) an additional $50 for each misdemeanor and felony charge under Title 45~~, 61-8-401, 61-8-406, or 61-8-411~~ or [section 2].

(2) If a convicting court determines under 46-18-231 and 46-18-232 that the person is not able to pay the fine and costs or that the person is unable to pay within a reasonable time, the court shall waive payment of the charge imposed by this section.

(3) The charges imposed by this section are not fines and must be imposed in addition to any fine and may not be used in determining the jurisdiction of any court.

(4) When the payment of a fine is to be made in installments over a period of time, the charges imposed by this section must be collected from the first payment made and each subsequent payment as necessary if the first payment is not sufficient to cover the charges.

(5) The charges collected under subsection (1), except those collected under subsections (1)(a) and (1)(b) by a justice's court, must be deposited with the appropriate local government finance officer or treasurer. If a city municipal court or city or town court is the court of original jurisdiction, the charges collected under subsection (1) must be deposited with the city or town finance officer or treasurer. If a district court or justice's court is the court of original jurisdiction, the charges collected under subsection (1) must be deposited with the county finance officer or treasurer. If the court of original jurisdiction is a court within a consolidated city-county government within the meaning of Title 7, chapter 3, the charges collected under subsection (1) must be deposited with the finance officer or treasurer of the consolidated government.

(6) (a) A city or town finance officer or treasurer may retain the charges collected under subsections (1)(a) and (1)(b) by a city municipal court or a city or town court and may use that money for the payment of salaries of the city or town attorney and deputies.

(b) Each county finance officer or treasurer may retain the charges collected under subsections (1)(a) and (1)(b) by district courts for crimes committed or alleged to have been committed within that county. The county finance officer or treasurer shall use the money for the payment of salaries of its deputy county attorneys and for the payment of other salaries in the office of the county attorney, and any funds not needed for those salaries may be used for the payment of any other county salaries.

(7) (a) Except as provided in subsection (7)(b), each county, city, or town finance officer or treasurer may retain the charges collected under subsection (1)(c) for payment of the expenses of a victim and witness advocate program, including a program operated by a private, nonprofit organization, that provides the services specified in Title 40, chapter 15, and

Title 46, chapter 24, and that is operated or used by the county, city, or town.

(b) The appropriate county, city, or town finance officer or treasurer shall deposit $1 of each charge collected under subsection (1)(c) in the collecting court's fund for mitigation of administrative costs incurred by the court in the collection of the charge. The funds deposited under this subsection (7)(b) are not subject to allocation under 46-18-251.

(c) Except as provided in subsection (7)(b), if the county, city, or town does not operate or use a victim and witness advocate program, all charges collected under subsection (1)(c) must be paid to the crime victims compensation and assistance program in the department of justice for deposit in the account provided for in 53-9-113. (Terminates June 30, 2021--sec. 27, Ch. 285, L. 2015; sec. 1, Ch. 292, L. 2015.)

46-18-236. (Effective July 1, 2021) Imposition of charge upon conviction or forfeiture -- administration. (1) Except as provided in subsection (2), there must be imposed by all courts of original jurisdiction on a person upon conviction for any conduct made criminal by state statute or upon forfeiture of bond or bail a charge that is in addition to other taxable court costs, fees, or fines, as follows:

(a) $15 for each misdemeanor charge;

(b) the greater of $20 or 10% of the fine levied for each felony charge; and

(c) an additional $50 for each misdemeanor and felony charge under Title 45~~, 61-8-401, 61-8-406, or 61-8-411~~ or [section 2].

(2) If a convicting court determines under 46-18-231 and 46-18-232 that the person is not able to pay the fine and costs or that the person is unable to pay within a reasonable time, the court shall waive payment of the charge imposed by this section.

(3) The charges imposed by this section are not fines and must be imposed in addition to any fine and may not be used in determining the jurisdiction of any court.

(4) When the payment of a fine is to be made in installments over a period of time, the charges imposed by this section must be collected from the first payment made and each subsequent payment as necessary if the first payment is not sufficient to cover the charges.

(5) The charges collected under subsection (1), except those collected under subsections (1)(a) and (1)(b) by a justice's court, must be deposited with the appropriate local government finance officer or treasurer. If a city municipal court or city or town court is the court of original jurisdiction, the charges collected under subsection (1) must be deposited with the city or town finance officer or treasurer. If a district court or justice's court is the court of original jurisdiction, the charges collected under subsection (1) must be deposited with the county finance officer or treasurer. If the court of original jurisdiction is a court within a consolidated

city-county government within the meaning of Title 7, chapter 3, the charges collected under subsection (1) must be deposited with the finance officer or treasurer of the consolidated government.

(6) (a) A city or town finance officer or treasurer may retain the charges collected under subsections (1)(a) and (1)(b) by a city municipal court or a city or town court and may use that money for the payment of salaries of the city or town attorney and deputies.

(b) Each county finance officer or treasurer may retain the charges collected under subsections (1)(a) and (1)(b) by district courts for crimes committed or alleged to have been committed within that county. The county finance officer or treasurer shall use the money for the payment of salaries of its deputy county attorneys and for the payment of other salaries in the office of the county attorney, and any funds not needed for those salaries may be used for the payment of any other county salaries.

(7) (a) Except as provided in subsection (7)(b), each county, city, or town finance officer or treasurer may retain the charges collected under subsection (1)(c) for payment of the expenses of a victim and witness advocate program, including a program operated by a private, nonprofit organization, that provides the services specified in Title 40, chapter 15, and Title 46, chapter 24, and that is operated or used by the county, city, or town.

(b) The appropriate county, city, or town finance officer or treasurer shall deposit $1 of each charge collected under subsection (1)(c) in the collecting court's fund for mitigation of administrative costs incurred by the court in the collection of the charge. The funds deposited under this subsection (7)(b) are not subject to allocation under 46-18-251.

(c) Except as provided in subsection (7)(b), if the county, city, or town does not operate or use a victim and witness advocate program, all charges collected under subsection (1)(c) must be paid to the crime victims compensation and assistance program in the department of justice for deposit in the state general fund to be used to provide services to crime victims as provided in Title 53, chapter 9, part 1.""

Insert: Section 29. Section 50-46-320, MCA, is amended to read:

"50-46-320. Limitations of act. (1) This part does not permit:

(a) any individual, including a registered cardholder, to operate, navigate, or be in actual physical control of a motor vehicle, aircraft, or motorboat while under the influence of marijuana; or

(b) except as provided in subsection (3), the use of marijuana by a registered cardholder:

(i) in a health care facility as defined in 50-5-101;

(ii) in a school or a postsecondary school as defined in 20-5-402;

(iii) on or in any property owned by a school district or a

postsecondary school;

(iv) on or in any property leased by a school district or a postsecondary school when the property is being used for school-related purposes;

(v) in a school bus or other form of public transportation;

(vi) when ordered by any court of competent jurisdiction into a correctional facility or program;

(vii) if a court has imposed restrictions on the cardholder's use pursuant to 46-18-202;

(viii) at a public park, public beach, public recreation center, or youth center;

(ix) in or on the property of any church, synagogue, or other place of worship;

(x) in plain view of or in a place open to the general public; or

(xi) where exposure to the marijuana smoke significantly adversely affects the health, safety, or welfare of children.

(2) A registered cardholder, provider, or marijuana-infused products provider may not cultivate marijuana or manufacture marijuana concentrates or marijuana-infused products for use by a registered cardholder in a manner that is visible from the street or other public area.

(3) A hospice or residential care facility licensed under Title 50, chapter 5, may adopt a policy that allows use of marijuana by a registered cardholder.

(4) Nothing in this part may be construed to require:

(a) a government medical assistance program, a group benefit plan that is covered by the provisions of Title 2, chapter 18, an insurer covered by the provisions of Title 33, or an insurer as defined in 39-71-116 to reimburse an individual for costs associated with the use of marijuana by a registered cardholder;

(b) an employer to accommodate the use of marijuana by a registered cardholder;

(c) a school or postsecondary school to allow a registered cardholder to participate in extracurricular activities; or

(d) a landlord to allow a tenant who is a registered cardholder, provider, marijuana-infused products provider, dispensary, or testing laboratory to cultivate, manufacture, dispense, sell, or test marijuana, marijuana concentrates, or marijuana-infused products or to allow a registered cardholder to use marijuana.

(5) Nothing in this part may be construed to:

(a) prohibit an employer from including in any contract a provision prohibiting the use of marijuana for a debilitating medical condition; or

(b) permit a cause of action against an employer for wrongful discharge pursuant to 39-2-904 or discrimination pursuant to 49-1-102.

(6) Nothing in this part may be construed to allow a provider, marijuana-infused products provider, or employee of a

licensee to use marijuana or to prevent criminal prosecution of a provider, marijuana-infused products provider, or employee of a licensee who uses marijuana or paraphernalia for personal use.

(7) (a) A law enforcement officer who has reasonable cause to believe that an individual with a valid registry identification card is driving under the influence of marijuana may apply for a search warrant to require the individual to provide a sample of the individual's blood for testing pursuant to the provisions of ~~61-8-405~~ [section 11]. An individual with a delta-9-tetrahydrocannabinol level of 5 ng/ml or more may be charged with a violation of ~~61-8-401 or 61-8-411~~ [section 2(1)(a) or (1)(e)].

(b) A registered cardholder, provider, or marijuana-infused products provider who violates subsection (1)(a) is subject to revocation of the individual's registry identification card or license if the individual is convicted of or pleads guilty to any offense related to driving under the influence of alcohol or drugs when the initial offense with which the individual was charged was a violation of ~~61-8-401, 61-8-406, 61-8-410, or 61-8-411~~ [section 2]. A revocation under this section must be for the period of suspension or revocation set forth:

(i) in 61-5-208 for a violation of ~~61-8-401, 61-8-406, or 61-8-411~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)]; or

(ii) in ~~61-8-410~~ [section 3(3)] for a violation of ~~61-8-410~~ [section 2(1)(f)].

(c) If an individual's registry identification card or license is subject to renewal during the revocation period, the individual may not renew the card until the full revocation period has elapsed. The card or license may be renewed only if the individual submits all materials required for renewal.

(8) A provider or marijuana-infused products provider who violates 15-64-103 or 15-64-104 is subject to revocation of the person's license from the date of the violation until a period of up to 1 year after the department of revenue certifies compliance with 15-64-103 or 15-64-104.""

Insert: Section 30. Section 53-9-103, MCA, is amended to read:

"**53-9-103. Definitions.** As used in this part, the following definitions apply:

(1) "Claimant" means any of the following claiming compensation under this part:

(a) a victim;

(b) a dependent of a deceased victim; or

(c) an authorized person acting on behalf of any of them.

(2) "Collateral source" means a source of benefits, other than welfare benefits, or advantages for economic loss otherwise compensable under this part that the claimant has received or that is readily available to the claimant from:

(a) the offender;

(b) the government of the United States or any agency thereof, a state or any of its political subdivisions, or an instrumentality of two or more states, unless the law providing

for the benefits or advantages makes them excess or secondary to benefits under this part;

(c) social security, medicare, and medicaid;

(d) workers' compensation;

(e) wage continuation programs of any employer;

(f) proceeds of a contract of insurance payable to the claimant for loss that was sustained because of the criminally injurious conduct;

(g) a contract, including an insurance contract, providing hospital and other health care services or benefits for disability. A contract in this state may not provide that benefits under this part are a substitute for benefits under the contract or that the contract is a secondary source of benefits and benefits under this part are a primary source.

(h) a crime victims compensation program operated by the state in which the victim was injured or killed that compensates residents of this state injured or killed in that state; or

(i) any other third party.

(3) "Criminally injurious conduct" means conduct that:

(a) occurs or is attempted in this state or an act of international terrorism, as defined in 18 U.S.C. 2331, committed outside of the United States against a resident of this state;

(b) results in bodily injury or death or involves domestic violence in a home where minor children were present; and

(c) is punishable by fine, imprisonment, or death or would be so punishable except that the person engaging in the conduct lacked capacity to commit the crime under the laws of this state; however, criminally injurious conduct does not include conduct arising out of the ownership, maintenance, or use of a motor vehicle unless the bodily injury or death occurred during the commission of an offense defined in Title 45 that requires the mental state of purposely as an element of the offense or the injury or death was inflicted by the driver of a motor vehicle who is found by the office, by a preponderance of the evidence, to have been operating the motor vehicle while under the influence, as that term is defined in ~~61-8-401~~ [section 1]; or

(d) is committed in a state without a crime victims compensation program that covers a resident of this state if the conduct meets the requirements in subsections (3)(b) and (3)(c).

(4) "Dependent" means a natural person who is recognized under the law of this state to be wholly or partially dependent upon the victim for care or support and includes a child of the victim conceived before the victim's death but born after the victim's death, including a child that is conceived as a result of the criminally injurious conduct.

(5) "Office" means the office of victims services established in 2-15-2016.

(6) "Victim" means:

(a) a person who suffers bodily injury or death as a result of:

(i) criminally injurious conduct;

(ii) the person's good faith effort to prevent criminally injurious conduct; or

(iii) the person's good faith effort to apprehend a person reasonably suspected of engaging in criminally injurious conduct; or

(b) a minor child present in a home where domestic violence occurred.""

Insert: Section 31. Section 61-1-101, MCA, is amended to read:

"**61-1-101. Definitions.** As used in this title, unless the context indicates otherwise, the following definitions apply:

(1) (a) "Authorized agent" means a person who has executed a written agreement with the department and is specifically authorized by the department to electronically access and update the department's motor vehicle titling, registration, or driver records, using an approved automated interface, for specific functions or purposes on behalf of a third party.

(b) For purposes of this subsection (1), "person" means an individual, corporation, partnership, limited partnership, limited liability company, association, joint venture, state agency, local government unit, another state government, the United States, a political subdivision of this or another state, or any other legal or commercial entity.

(2) "Authorized agent agreement" means the written agreement executed between an authorized agent and the department that sets the technical and operational program standards, compliance criteria, payment options, and service expectations by which the authorized agent is required to operate in performing specific motor vehicle or driver-related record functions.

(3) "Bus" means a motor vehicle designed for carrying more than 10 passengers and used for the transportation of persons and any other motor vehicle, other than a taxicab, designed and used for the transportation of persons for compensation.

(4) (a) "Business entity" means a corporation, association, partnership, limited liability partnership, limited liability company, or other legal entity recognized under state law.

(b) The term does not include an individual.

(5) (a) "Camper" means a structure designed to be mounted in the cargo area of a truck or attached to an incomplete vehicle for the purpose of providing shelter for persons. The term includes but is not limited to a cab-over, half cab-over, noncab-over, telescopic, and telescopic cab-over.

(b) The term does not include a truck canopy cover or topper.

(6) "CDLIS driver record" means the electronic record of a person's commercial driver's license status and history stored as part of the commercial driver's license system established under 49 U.S.C. 31309.

(7) "Certificate of title" means the paper record issued by the department or by the appropriate agency of another jurisdiction that establishes a verifiable record of ownership between an identified person or persons and the motor vehicle

specifically described in the record and that provides notice of a perfected security interest in the motor vehicle.

(8) "Commercial driver's license" means:

(a) a driver's license issued under or granted by the laws of this state that authorizes a person to operate a class of commercial motor vehicle; or

(b) the privilege of a person to drive a commercial motor vehicle, whether or not the person holds a valid commercial driver's license.

(9) (a) "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the vehicle:

(i) has a gross combination weight rating or a gross combination weight of 26,001 pounds or more, whichever is greater, inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds;

(ii) has a gross vehicle weight rating or a gross vehicle weight of 26,001 pounds or more, whichever is greater;

(iii) is designed to transport at least 16 passengers, including the driver;

(iv) is a school bus; or

(v) is of any size and is used in the transportation of hazardous materials.

(b) The following vehicles are not commercial motor vehicles:

(i) an authorized emergency vehicle:

(A) equipped with audible and visual signals as required under 61-9-401 and 61-9-402; and

(B) operated when responding to or returning from an emergency call or operated in another official capacity;

(ii) a vehicle:

(A) controlled and operated by a farmer, family member of the farmer, or person employed by the farmer;

(B) used to transport farm products, farm machinery, or farm supplies to or from the farm within Montana within 150 miles of the farm or, if there is a reciprocity agreement with a state adjoining Montana, within 150 miles of the farm, including any area within that perimeter that is in the adjoining state; and

(C) not used to transport goods for compensation or for hire; or

(iii) a vehicle operated for military purposes by active duty military personnel, a member of the military reserves, a member of the national guard on active duty, including personnel on full-time national guard duty, personnel in part-time national guard training, and national guard military technicians, or active duty United States coast guard personnel.

(c) For purposes of this subsection (9):

(i) "farmer" means a person who operates a farm or who is directly involved in the cultivation of land or crops or the raising of livestock owned by or under the direct control of that person;

(ii) "gross combination weight rating" means the value specified by the manufacturer as the loaded weight of a combination or articulated vehicle;

(iii) "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle; and

(iv) "school bus" has the meaning provided in 49 CFR 383.5.

(10) "Commission" means the state transportation commission.

(11) "Custom-built motorcycle" means a motorcycle that is equipped with:

(a) an engine that was manufactured 20 years prior to the current calendar year and that has been altered from the manufacturer's original design; or

(b) an engine that was manufactured to resemble an engine 20 or more years old and that has been constructed in whole or in part from nonoriginal materials.

(12) "Custom vehicle" means a motor vehicle other than a motorcycle that:

(a) (i) was manufactured with a model year after 1948 and that is at least 25 years old; or

(ii) was built to resemble a vehicle manufactured after 1948 and at least 25 years before the current calendar year, including a kit vehicle intended to resemble a vehicle manufactured after 1948 and that is at least 25 years old; and

(b) has been altered from the manufacturer's original design or has a body constructed from nonoriginal materials.

(13) "Customer identification number" means:

(a) a driver's license or identification card number when the customer is an individual who has been issued a driver's license or identification card by a state driver licensing authority;

(b) a federal employer or tax identification number when the customer is a business entity that has been issued a federal employer or tax identification number;

(c) the identification number assigned by the secretary of state to a business entity authorized to do business in this state under Title 35 if the customer is a business entity that does not have a federal employer or tax identification number other than a social security number; or

(d) if the customer has not been issued one of the numbers described in subsections (13)(a) through (13)(c), a number assigned to the customer by the department when a transaction is initiated under this title.

(14) (a) "Dealer" means a person that, for commission or profit, engages in whole or in part in the business of buying, selling, exchanging, or accepting on consignment new or used motor vehicles, trailers, semitrailers, pole trailers, travel trailers, motorboats, sailboats, snowmobiles, off-highway vehicles, or special mobile equipment that is not registered in the name of the person.

(b) The term does not include the following:

(i) receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under a judgment or order of any court of competent jurisdiction;

(ii) employees of the persons included in subsection (14)(b)(i) when engaged in the specific performance of their duties as employees; or

(iii) public officers while performing or in the operation of their duties.

(15) "Declared weight" means the total unladen weight of a vehicle plus the weight of the maximum load to be carried on the vehicle as stated by the registrant in the application for registration.

(16) "Department" means the department of justice acting directly or through its duly authorized officers or agents.

(17) "Dolly or converter gear" means a device consisting of one or two axles with a fifth wheel and trailer tongue used to support the forward end of a semitrailer, converting a semitrailer into a trailer.

(18) "Domiciled" means a place where:

(a) an individual establishes residence;

(b) a business entity maintains its principal place of business;

(c) the business entity's registered agent maintains an address; or

(d) a business entity most frequently uses, dispatches, or controls a motor vehicle, trailer, semitrailer, or pole trailer that it owns or leases.

(19) "Downgrade" means the removal of a person's privilege to operate a commercial motor vehicle, as maintained by the department on the individual Montana driving record and the CDLIS driver record for that person.

(20) "Driver" means a person who drives or is in actual physical control of a vehicle.

(21) "Driver's license" means a license or permit to operate a motor vehicle issued under or granted by the laws of this state, including:

(a) any temporary license or learner license;

(b) the privilege of any person to drive a motor vehicle, whether or not the person holds a valid license;

(c) any nonresident's driving privilege;

(d) a motorcycle endorsement; or

(e) a commercial driver's license.

(22) "Electric personal assistive mobility device" means a device that has two nontandem wheels, is self-balancing, and is designed to transport only one person with an electric propulsion system that limits the maximum speed of the device to 12 1/2 miles an hour.

(23) "For hire" means an action performed for remuneration of any kind, whether paid or promised, either directly or indirectly, or received or obtained through leasing, brokering, or buy-and-sell arrangements from which a remuneration is

obtained or derived for transportation service.

(24) (a) "Golf cart" means a motor vehicle that is designed for use on a golf course to carry a person or persons and golf equipment and that has an average speed of less than 15 miles per hour.

(b) Except as provided in 61-3-201, a golf cart is exempt from titling, registration, and mandatory liability insurance requirements under this title.

(25) "Gross vehicle weight" means the weight of a vehicle without load plus the weight of any load on the vehicle.

(26) "Hazardous material" means:

(a) any material that has been designated as hazardous under 49 U.S.C. 5103 and is required to be placarded under 49 CFR, part 172; or

(b) any quantity of a material listed as a select agent or toxin in 42 CFR, part 73.

(27) "Highway" or "public highway" means the entire width between the boundary lines of every publicly maintained way when any part of the publicly maintained way is open to the use of the public for purposes of vehicular travel.

(28) "Highway patrol officer" means a state officer authorized to direct or regulate traffic or to make arrests for violations of traffic regulations.

(29) "Implement of husbandry" means a vehicle that is designed for agricultural purposes and exclusively used by the owner of the vehicle in the conduct of the owner's agricultural operations.

(30) "Kit vehicle" is a motor vehicle assembled from a manufactured kit either as:

(a) a complete kit, consisting of a prefabricated body and chassis, to construct a new motor vehicle; or

(b) a kit with a prefabricated body to be mounted to an existing motor vehicle chassis and drivetrain, commonly referred to as a donor vehicle.

(31) "Light vehicle" means a motor vehicle commonly referred to as an automobile, van, sport utility vehicle, or truck having a manufacturer's rated capacity of 1 ton or less.

(32) "Low-speed electric vehicle" means a motor vehicle, on or by which a person may be transported, that:

(a) has four wheels;

(b) has a maximum speed of at least 20 miles an hour and no greater than 40 miles an hour as certified by the manufacturer;

(c) is propelled by its own power, using an electric motor or other device that transforms stored electrical energy into the motion of the vehicle;

(d) stores electricity in batteries, ultracapacitors, or similar devices, which are charged from the power grid or from renewable electrical energy sources;

(e) has a wheelbase of 40 inches or greater and a wheel diameter of 10 inches or greater;

(f) exhibits a manufacturer's compliance with 49 CFR, part

565, or displays a 17-character vehicle identification number as provided in 49 CFR, part 565; and

(g) is equipped as provided in 61-9-432.

(33) "Low-speed restricted driver's license" means a license limited to the operation of a low-speed electric vehicle or a golf cart issued under or granted by the laws of this state, including:

(a) a temporary license or learner license;

(b) the privilege of a person to drive a low-speed electric vehicle or golf cart under the authority of 61-5-122, whether or not the person holds a valid driver's license; and

(c) a nonresident's similarly restricted driving privilege.

(34) "Manufactured home" has the meaning provided in 15-24-201.

(35) "Manufacturer" includes any person engaged in the manufacture of motor vehicles, trailers, semitrailers, pole trailers, travel trailers, motorboats, sailboats, snowmobiles, or off-highway vehicles as a regular business.

(36) "Manufacturer's certificate of origin" means the original paper record produced and issued by the manufacturer of a vehicle or, if in a medium authorized by the department, an electronic record created and transmitted by the manufacturer of a vehicle to the manufacturer's agent or a licensed dealer. The record must establish the origin of the vehicle specifically described in the record and, upon assignment, transfers of ownership of the vehicle to the person or persons named in the certificate.

(37) (a) "Medium-speed electric vehicle" is a motor vehicle, on or by which a person may be transported, that:

(i) has a maximum speed of 45 miles an hour as certified by the manufacturer;

(ii) is propelled by its own power, using an electric motor or other device that transforms stored electrical energy into the motion of the vehicle;

(iii) stores electricity in batteries, ultracapacitors, or similar devices, which are charged from the power grid or from renewable electrical energy sources;

(iv) is fully enclosed and includes at least one door for entry;

(v) has a wheelbase of 40 inches or greater and a wheel diameter of 10 inches or greater;

(vi) exhibits a manufacturer's compliance with 49 CFR, part 565, or displays a 17-character vehicle identification number as provided in 49 CFR, part 565;

(vii) bears a sticker, affixed by the manufacturer or dealer, on the left side of the rear window that indicates the vehicle's maximum speed rating; and

(viii) as certified by the manufacturer, is equipped as provided in 61-9-432.

(b) A medium-speed electric vehicle must be treated as a light vehicle for purposes of titling and registration under

Title 61, chapter 3.

(c) A medium-speed electric vehicle may not have a gross vehicle weight in excess of 5,000 pounds.

(38) "Mobile home" or "housetrailer" has the meaning provided in 15-24-201.

(39) "Montana resident" means:

(a) an individual who resides in Montana as determined under 1-1-215; or

(b) for the purposes of chapter 3, a business entity that maintains a principal place of business or a registered agent in this state.

(40) (a) "Motorboat" means a vessel, including a personal watercraft or pontoon, propelled by any machinery, motor, or engine of any description, whether or not the machinery, motor, or engine is the principal source of propulsion. The term includes boats temporarily equipped with detachable motors or engines.

(b) The term does not include a vessel that has a valid marine document issued by the U.S. coast guard or any successor federal agency.

(41) (a) "Motor carrier" means a person or corporation or its lessees, trustees, or receivers appointed by a court that are operating motor vehicles on a public highway in this state for the transportation of property for hire on a commercial basis.

(b) The term does not include motor carriers regulated under Title 69, chapter 12.

(42) (a) "Motorcycle" means a motor vehicle that has a seat or saddle for the use of the operator and that is designated to travel on not more than three wheels in contact with the ground. A motorcycle may carry one or more attachments and a seat for the conveyance of a passenger.

(b) A motorcycle designed for use on highways is a motor vehicle unless otherwise prescribed.

(c) A motorcycle designed for off-road recreational use is an off-highway vehicle unless it has been modified to meet the equipment standards specified in chapter 9 and has been registered for highway use.

(d) The term does not include a tractor, a bicycle or a moped as defined in 61-8-102, a motorized nonstandard vehicle, or a two- or three-wheeled all-terrain vehicle that is used exclusively on private property.

(43) (a) "Motor-driven cycle" means a motorcycle, including a motor scooter, with a motor that produces 5 horsepower or less.

(b) The term does not include a bicycle or a moped, as defined in 61-8-102, or a motorized nonstandard vehicle.

(44) "Motor home" means a motor vehicle:

(a) designed to provide temporary living quarters, built as an integral part of or permanently attached to a self-propelled motor vehicle chassis or van;

(b) containing permanently installed independent life support systems that meet the ANSIA/A119.2 standard; and

(c) providing at least four of the following types of facilities:

(i) cooking, refrigeration, or icebox;

(ii) self-contained toilet;

(iii) heating or air conditioning, or both;

(iv) potable water supply, including a faucet and sink; or

(v) separate 110-volt or 125-volt electrical power supply or a liquefied petroleum gas supply, or both.

(45) (a) "Motorized nonstandard vehicle" means a vehicle, on or by which a person may be transported, that:

(i) is propelled by its own power, using an internal combustion engine or an electric motor;

(ii) has a wheelbase of less than 40 inches and a wheel diameter of less than 10 inches; and

(iii) does not display a manufacturer's certification in accordance with 49 CFR, part 567, or have a 17-character vehicle identification number assigned by the manufacturer in accordance with 49 CFR, part 565.

(b) The term includes but is not limited to a motorized skateboard and a vehicle commonly known as a "pocket rocket".

(c) The term does not include a moped as defined in 61-8-102, an electric personal assistive mobility device, or a motorized wheelchair or other low-powered, mechanically propelled vehicle designed specifically for use by a physically disabled person.

(46) (a) "Motor vehicle" means:

(i) a vehicle propelled by its own power and designed or used to transport persons or property on the highways of the state;

(ii) a quadricycle if it is equipped for use on the highways as prescribed in chapter 9; or

(iii) a golf cart only if it is equipped for use on the highways as prescribed in chapter 9 and is operated pursuant to 61-8-391 or by a person with a low-speed restricted driver's license.

(b) The term does not include a bicycle or a moped as defined in 61-8-102, an electric personal assistive mobility device, a motorized nonstandard vehicle, or a motorized wheelchair or other low-powered, mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that is used as a means of mobility for that person.

(47) "New motor vehicle" means a motor vehicle, regardless of the mileage of the vehicle, the legal or equitable title to which has never been transferred by a manufacturer, distributor, or dealer to another person as the result of a retail sale.

(48) "Nonresident" means a person who is not a Montana resident.

(49) (a) "Not used for general transportation purposes" means the operation of a motor vehicle registered as a collector's item, a custom vehicle, a street rod, or a custom-built motorcycle to or from a car or motorcycle club

activity or event or an exhibit, show, cruise night, or parade, or for other occasional transportation activity.

(b) The term does not include operation of a motor vehicle for routine or ordinary household maintenance, employment, education, or other similar purposes.

(50) (a) "Off-highway vehicle" means a self-propelled vehicle designed for recreation or cross-country travel on public lands, trails, easements, lakes, rivers, or streams. The term includes but is not limited to motorcycles, quadricycles, dune buggies, amphibious vehicles, air cushion vehicles, and any other means of land transportation deriving motive power from any source other than muscle or wind.

(b) The term does not include:

(i) vehicles designed primarily for travel on, over, or in the water;

(ii) snowmobiles; or

(iii) motor vehicles designed to transport persons or property on the highways unless the vehicle is used for off-road recreation on public lands.

(51) "Operator" means a person who is in actual physical control of a motor vehicle.

(52) "Owner" means a person who holds the legal title to a vehicle. If a vehicle is the subject of an agreement for the conditional sale of the vehicle with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee, or in the event a vehicle is subject to a lease, contract, or other legal arrangement vesting right of possession or control, for security or otherwise, or in the event a mortgagor of a vehicle is entitled to possession, then the owner is the person in whom is vested the right of possession or control.

(53) "Person" means an individual, corporation, partnership, association, firm, or other legal entity.

(54) "Personal watercraft" means a vessel that uses an outboard motor or an inboard engine powering a water jet pump as its primary source of propulsion and that is designed to be operated by a person sitting, standing, or kneeling on the vessel rather than by the conventional method of sitting or standing in the vessel.

(55) "Pole trailer" means a vehicle without power designed to be drawn by another vehicle and attached to the towing vehicle by means of a reach or pole or by being boomed or otherwise secured to the towing vehicle and ordinarily used for transporting long or irregularly shaped loads such as poles, pipes, or structural members capable generally of sustaining themselves as beams between the supporting connections.

(56) "Police officer" means an officer authorized to direct or regulate traffic or to make arrests for violations of traffic regulations.

(57) (a) "Quadricycle" means a four-wheeled motor vehicle, designed for on-road or off-road use, having a seat or saddle on

which the operator sits.

(b) The term does not include golf carts.

(58) "Railroad" means a carrier of persons or property on cars, other than streetcars, operated on stationary rails.

(59) (a) "Railroad train" or "train" means a steam engine or electric or other motor, with or without cars coupled to the engine, that is operated on rails.

(b) The term does not include streetcars.

(60) "Recreational vehicle" includes a motor home, travel trailer, or camper.

(61) "Registration" or "register" means the act or process of creating an electronic record, maintained by the department, of the assignment of a license plate or a set of license plates to and the issuance of a registration decal for a specific vehicle, the ownership of which has been established or is presumed in department records.

(62) "Registration decal" means an adhesive sticker produced by the department and issued by the department, its authorized agent, or a county treasurer to the owner of a motor vehicle, trailer, semitrailer, pole trailer, motorboat, sailboat, personal watercraft, or snowmobile as proof of payment of all fees imposed for the registration period indicated on the sticker as recorded by the department under 61-3-101.

(63) "Registration receipt" means a paper record that is produced and issued or, if authorized by the department, an electronic record that is transmitted by the department, its authorized agent, or a county treasurer to the owner of a vehicle that identifies a vehicle, based on information maintained in the electronic record of title for the vehicle, and that provides evidence of the payment of all fees required to be paid for the registration of the vehicle for the registration period indicated in the receipt.

(64) "Retail sale" means the sale of a motor vehicle, trailer, semitrailer, pole trailer, travel trailer, motorboat, snowmobile, off-highway vehicle, or special mobile equipment by a dealer to a person for purposes other than resale.

(65) "Revocation" means the termination by action of the department of a person's driver's license, privilege to drive a motor vehicle on the public highways, and privilege to apply for and be issued a driver's license for a period of time designated by law, during which the license or privilege may not be renewed, restored, or exercised. An application for a new license may be presented and acted on by the department after the expiration of the period of the revocation.

(66) "Roadway" means that portion of a highway improved, designed, or ordinarily used for vehicular travel, exclusive of the berm or shoulder. In the event that a highway includes two or more separate roadways, the term refers to any roadway separately but not to all roadways collectively.

(67) (a) "Sailboat" means a vessel that uses a sail and wind as its primary source of propulsion.

(b) The term does not include a canoe or kayak propelled by wind.

(68) "School zone" means an area near a school beginning at the school's front door, encompassing the campus and school property, and including the streets directly adjacent to the school property and for as many blocks surrounding the school as determined by the local authority establishing a special speed limit under 61-8-310(1)(d).

(69) "Sell" means to transfer ownership from one person to another person or from a dealer to another person for consideration.

(70) "Semitrailer" means a vehicle, with or without motive power, other than a pole trailer, designed for carrying property and for being drawn by a motor vehicle and constructed so that some part of its weight and that of its load rests on or is carried by another vehicle.

(71) "Snowmobile" means a self-propelled vehicle of an overall width of 48 inches or less, excluding accessories, that is designed primarily for travel on snow or ice, that may be steered by skis or runners, and that is not otherwise registered or licensed under the laws of the state of Montana.

(72) "Special mobile equipment" means a vehicle not designed for the transportation of persons or property on the highways but incidentally operated or moved over the highways, including road construction or maintenance machinery, ditch-digging apparatus, and well-boring apparatus. The fact that equipment is permanently attached to a vehicle does not make the vehicle special mobile equipment. The enumeration in this subsection is partial and does not exclude other vehicles that are within the general terms of this subsection.

(73) (a) "Specially constructed vehicle" means a motor vehicle, including a motorcycle, that:

(i) was not originally constructed under a distinctive make, model, or type by a generally recognized manufacturer of motor vehicles;

(ii) has been structurally modified so that it does not have the same appearance as similar vehicles from a generally recognized manufacturer of motor vehicles;

(iii) has been constructed or assembled entirely from custom-built parts and materials not obtained from other vehicles;

(iv) has been constructed or assembled by using major component parts from one or more manufactured vehicles and that cannot be identified as a specific make or model; or

(v) has been constructed by the use of a kit that cannot be visually identified as a specific make or model.

(b) The term does not include a motor vehicle that has been repaired or restored to its original design by replacing parts.

(74) (a) "Sport utility vehicle" means a light vehicle designed to transport 10 or fewer persons that is constructed on a truck chassis or that has special features for occasional

off-road use.

(b) The term does not include trucks having a manufacturer's rated capacity of 1 ton or less.

(75) (a) "Stop", when required, means complete cessation from movement.

(b) "Stop", "stopping", or "standing", when prohibited, means any stopping or standing of a vehicle, whether occupied or not, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer, highway patrol officer, or traffic control sign or signal.

(76) "Storage lot" means property owned, leased, or rented by a dealer that is not contiguous to the dealer's established place of business where a motor vehicle from the dealer's inventory may be placed when space at the dealer's established place of business is not available.

(77) "Street" means the entire width between the boundary lines of every publicly maintained way when any part of the publicly maintained way is open to the use of the public for purposes of vehicular travel.

(78) "Street rod" means a motor vehicle, other than a motorcycle, that:

(a) was manufactured prior to 1949 or was built to resemble a vehicle manufactured before 1949, including a kit vehicle intended to resemble a vehicle manufactured before 1949; and

(b) has been altered from the manufacturer's original design or has a body constructed from nonoriginal materials.

(79) "Suspension" means the temporary withdrawal by action of the department of a person's driver's license, privilege to drive a motor vehicle on the public highways, and privilege to apply for or be issued a driver's license for a period of time designated by law.

(80) "Temporary registration permit" means a paper record:

(a) issued by the department, an authorized agent, a county treasurer, or a person, using a department-approved electronic interface after an electronic record has been transmitted to the department, that contains:

(i) required vehicle and owner information; and

(ii) the purpose for which the record was generated; and

(b) that, when placed in a durable license-plate style plastic pouch approved by the department and displayed as prescribed in 61-3-224, authorizes a person to operate the described motor vehicle, motorboat, sailboat that is 12 feet in length or longer, snowmobile, or off-highway vehicle for:

(i) 40 days from the date the record is issued or until the vehicle is registered under Title 23 or this title, whichever first occurs; or

(ii) 90 days from the date the record is issued for a permit issued pursuant to 61-3-303(3)(b).

(81) "Traffic" means pedestrians, ridden or herded animals, vehicles, streetcars, and other conveyances either singly or together while using any highways for purposes of travel.

(82) (a) "Trailer" means a vehicle, with or without motive power, other than a pole trailer, designed for carrying property and for being drawn by a motor vehicle and constructed so that no part of its weight rests on the towing vehicle.

(b) The term does not include a mobile home or a manufactured home, as defined in 15-1-101.

(83) "Transaction summary receipt" means an electronic record produced and issued by the department, its authorized agent, or a county treasurer for which a paper receipt is issued. The record may be created by the department and transmitted to the owner of a vehicle, a secured party, or a lienholder. The record must contain a unique transaction record number and summarize and verify the electronic filing of the transaction described in the receipt on the electronic record of title maintained under 61-3-101.

(84) "Travel trailer" means a vehicle:

(a) that is 40 feet or less in length;

(b) that is of a size or weight that does not require special permits when towed by a motor vehicle;

(c) with gross trailer area of less than 320 square feet; and

(d) that is designed to provide temporary facilities for recreational, travel, or camping use and not used as a principal residence.

(85) "Truck" or "motortruck" means a motor vehicle designed, used, or maintained primarily for the transportation of property.

(86) "Truck tractor" means a motor vehicle designed and used primarily for drawing other vehicles and not constructed to carry a load other than a part of the weight of the vehicle and load drawn.

(87) "Under the influence" has the meaning provided in ~~61-8-401~~ [section 1].

(88) "Used motor vehicle" includes any motor vehicle that has been sold, bargained, exchanged, or given away or had its title transferred from the person who first took title to it from the manufacturer, importer, dealer, wholesaler, or agent of the manufacturer or importer and that has been used so as to have become what is commonly known as "secondhand" within the ordinary meaning of that term.

(89) "Van" means a motor vehicle designed for the transportation of at least six persons and not more than nine persons and intended for but not limited to family or personal transportation without compensation.

(90) (a) "Vehicle" means a device in, on, or by which any person or property may be transported or drawn on a public highway, except devices moved by animal power or used exclusively on stationary rails or tracks.

(b) The term does not include a manually or mechanically propelled wheelchair or other low-powered, mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that is used as a means of mobility for that

person.

(91) "Vehicle identification number" means the number, letters, or combination of numbers and letters assigned by the manufacturer, by the department, or in accordance with the laws of another state or country for the purpose of identifying the motor vehicle or a component part of the motor vehicle.

(92) "Vessel" means every description of watercraft, unless otherwise defined by the department, other than a seaplane on the water, used or capable of being used as a means of transportation on water.

(93) "Wholesaler" means a person that for a commission or with intent to make a profit or gain of money or other thing of value sells, exchanges, or attempts to negotiate a sale or exchange of an interest in a used motor vehicle, trailer, semitrailer, pole trailer, travel trailer, motorboat, snowmobile, off-highway vehicle, or special mobile equipment only to dealers and auto auctions licensed under chapter 4, part 1.""

Insert: Section 32. Section 61-2-107, MCA, is amended to read:

"61-2-107. License reinstatement fee to fund county drinking and driving prevention programs. (1) Notwithstanding the provisions of any other law of the state, a driver's license that has been suspended or revoked under 61-5-205 or ~~61-8-402~~ [section 8] must remain suspended or revoked until the driver has paid to the department a fee of $200 in addition to any other fines~~,~~ ~~forfeitures,~~ and penalties assessed as a result of conviction for a violation of the traffic laws of the state.

(2) The department shall deposit one-half of the fees collected under subsection (1) in the general fund and the other half in an account in the state special revenue fund to be used for funding county drinking and driving prevention programs as provided in 61-2-108.""

Insert: Section 33. Section 61-2-302, MCA, is amended to read:

"61-2-302. Establishment of driver rehabilitation and improvement program -- participation by offending drivers. (1) The department may establish by administrative rules a driver rehabilitation and improvement program or programs. The programs may consist of classroom instruction in rules of the road, driving techniques, defensive driving, driver attitudes and habits, actual on-the-road driver's training, and other subjects or tasks designed to contribute to proper driving attitudes, habits, and techniques and must include the requirements for obtaining a restricted probationary driver's license.

(2) Except when otherwise provided or restricted by statute, a person whose driver's license is suspended or revoked by the department, unless the suspension or revocation was for an offense under ~~61-8-401, 61-8-406, or 61-8-411~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], may participate in any driver rehabilitation and improvement program established under this section if the person's license is:

(a) suspended as a result of a violation of the traffic

laws of this state, unless the suspension was imposed under the authority provided in Title 61, chapter 8, part 8; or

(b) revoked and the person has:

(i) completed at least 3 months of a 1-year revocation; or

(ii) completed 1 year of a 3-year revocation; and

(iii) met the requirements for reobtaining a Montana driver's license.

(3) Notwithstanding any provision of this part inconsistent with any other law of the state of Montana, the enforcement of any suspension or revocation order that constitutes the basis for any person's participation in the driver rehabilitation and improvement program provided for in this section may be stayed if that person complies with the requirements established for the driver rehabilitation and improvement program and meets the eligibility requirements of subsection (2).

(4) If a person's driver's license has been surrendered before the person's selection for participation in the driver rehabilitation and improvement program, the license may be returned upon receipt of the person's agreement to participate in the program.

(5) The stay of enforcement of any suspension or revocation action must be terminated and the suspension or revocation action must be reinstated if a person declines to participate in the driver rehabilitation and improvement program or fails to meet the attendance or other requirements established for participation in the program.

(6) This part does not create a right to be included in any program established under this part.

(7) The department may establish a schedule of fees that may be charged to those persons participating in the driver improvement and rehabilitation program. The fees must be used to help defray costs of maintaining the program.

(8) A person may be referred to this program by a driver improvement analyst, city judge, justice of the peace, youth court judge, judge of a district court of the state, or hearing examiner of the department.

(9) (a) Except as provided in subsection (9)(b), the department may issue a restricted probationary license to any person who enrolls and participates in the driver rehabilitation and improvement program. Upon issuance of a probationary license under this section, the licensee is subject to the restrictions set forth on the license.

(b) The department may not issue a restricted probationary license that would permit an individual to drive a commercial motor vehicle during a period in which:

(i) the individual is disqualified from operating a commercial motor vehicle under state or federal law; or

(ii) the individual's driver's license or driving privilege is revoked, suspended, or canceled.

(10) It is a misdemeanor for a person to operate a motor vehicle in any manner in violation of the restrictions imposed on

a restricted license issued to the person under this section."
"

Insert: Section 34. Section 61-5-125, MCA, is amended to read:

"61-5-125. Authority of department -- rulemaking authority. (1) The department shall administer and enforce the provisions of this chapter.

(2) The department shall adopt rules setting standards to govern driver's license examinations and reexaminations. The rules:

(a) must specifically address the functional abilities and skills required for a person to exercise ordinary and reasonable control in the safe operation of a motor vehicle on a highway;

(b) must include minimum uncorrected or corrected visual acuity requirements for both unrestricted and restricted licensure and may include minimum field of vision and depth perception requirements and hearing requirements for unrestricted and restricted licensure;

(c) may direct the design of one or more types of skills tests to assess an applicant's or licensee's ability to exercise ordinary and reasonable control in the safe operation of a motor vehicle on the highway. A skills test may consist of:

(i) a comprehensive assessment of a person's functional abilities by means of an actual demonstration of the applicant's ability to exercise ordinary and reasonable control in the safe operation of a motor vehicle; or

(ii) a more limited assessment of a person's functional abilities, conducted at the discretion of the department, as related to a specific physical or mental condition or conditions or a request for reexamination;

(d) must include operational restrictions based upon the visual acuity of an applicant or licensee;

(e) may take into consideration any nationally recognized standards or recommended practices for assessment of a person's ability to exercise ordinary and reasonable control in the safe operation of a motor vehicle on the highway;

(f) must include appropriate licensing criteria relating to the use of adaptive equipment or operational limits that can be readily discerned by law enforcement or a licensing agency in another jurisdiction;

(g) may be derived from medical guidelines and information compiled by driver licensing medical advisory or review boards from other jurisdictions, as well as information received from advocacy groups for persons with disabilities and senior citizens; and

(h) except as provided in 61-5-105, may not use a person's age or physical or mental disability, limitation, or condition as a justification for denial of a license.

(3) The department shall adopt rules governing the issuance of a hardship license to an underage applicant, including but not limited to an applicant who is 14 years of age or older who holds a valid learner license under 61-5-106. The rules must consider

whether a hardship license is needed because the applicant's licensed parent or guardian is not available to accompany the licensee due to employment or circumstances related to the operation of a farm or ranch and the licensee is required to drive more than 7 miles from the licensee's residence to the licensee's school bus stop.

(4) The department may adopt additional rules governing:

(a) acceptable methods of proof of identification that must be supplied by a person upon application for or renewal of a driver's license;

(b) the cancellation of a driver's license upon receipt of an insufficient funds check in payment of license fees;

(c) circumstances under which the department may issue a probationary license to a person whose license has been suspended or revoked or a person whose license is subject to a discretionary suspension or revocation;

(d) restrictions and duration to be imposed upon a probationary license;

(e) renewal of a driver's license by a person in the military assigned to active duty who had a valid Montana driver's license at the time of entering active duty;

(f) issuance of a replacement driver's license; ~~and~~

(g) a determination of the driver's license expiration date, minimum and maximum license terms, and license renewal requirements for a driver's license issued to a person who is a foreign national whose presence in the United States is temporarily authorized under federal law~~.~~;

(h) issuance and cancellation of probationary or restricted driver licenses, including the requirements for issuing a probationary license when the person is convicted in an out-of-state jurisdiction;

(i) the determination of the appropriate sanction to apply based on a conviction or administrative action, including the duration and requirements for restoration; and

(j) the procedures for the collection, distribution, and strict accountability of any funds received for fees collected for an implied consent refusal."""

Insert: Section 35. Section 61-5-205, MCA, is amended to read:

"**61-5-205. Mandatory revocation or suspension of license upon certain convictions -- duration of action -- exceptions.** (1) The department shall revoke an individual's driver's license or driving privilege if the department receives ~~notice from a court or another licensing jurisdiction~~ a report of conviction, as defined in 61-5-213, in this state or a violation of a similar statute or regulation in another state or on a federally recognized Indian reservation, that the individual has been convicted of any of the following offenses:

(a) negligent homicide resulting from the operation of a motor vehicle;

(b) any felony in the commission of which a motor vehicle is used;

(c) failure to stop and render aid as required under the laws of this state in the event of a motor vehicle accident resulting in the death or personal injury of another;

(d) perjury or the making of a false affidavit or statement under oath to the department under this chapter or under any other law relating to the ownership or operation of motor vehicles;

(e) fleeing from or eluding a peace officer; ~~or~~

(f) ~~negligent vehicular assault as defined in 45-5-205 involving a motor vehicle.~~ negligent operation of a vehicle, other than a bicycle, while under the influence of alcohol or drugs or both and causing bodily injury to another; or

(g) a felony offense of driving under the influence of alcohol or drugs or both.

~~(2) The department shall suspend an individual's driver's license or driving privilege if the department receives notice from a court or another licensing jurisdiction that the individual has been convicted of any of the following offenses:~~

~~(a) a driving offense under 61-8-401, 61-8-406, or 61-8-411;~~

~~(b) three reckless driving offenses committed within a period of 12 months; or~~

~~(c) a theft offense under 45-6-301 if the theft consisted of theft of motor vehicle fuel and a motor vehicle was used in the commission of the offense.~~

~~(3)~~(2) A revocation under subsections (1)(a), (1)(b), and (1)(d) through ~~(1)(f)~~ (1)(g) must be for ~~a period of~~ 1 year. A revocation under subsection (1)(c) must be for ~~a period of~~ 1 year, except that a revocation must be for 2 years if the offender received a felony conviction under 61-7-103.

(3) The department shall suspend an individual's driver's license or driving privilege if the department receives a report of a conviction, as defined in 61-5-213, in this state or a violation of a similar statute or regulation in another state or on a federally recognized Indian reservation, that the individual has been convicted of any of the following offenses:

(a) a misdemeanor offense of driving under the influence of alcohol or drugs;

(b) three reckless driving offenses committed within a period of 12 months; or

(c) a theft offense if the theft consisted of theft of motor vehicle fuel and a motor vehicle was used in the commission of the offense.

(4) (a) Except as provided in subsections (4)(b) and (4)(c), a suspension under subsection ~~(2)~~ (3) must be for ~~a period~~ the duration of 1 year.

(b) A suspension under subsection ~~(2)(a)~~ (3)(a) must be for the ~~period~~ duration set forth in 61-5-208.

(c) A suspension under subsection ~~(2)(c)~~ (3)(c) must be for ~~one of the following periods~~:

(i) 30 days for a first offense;

(ii) 6 months for a second offense; and

(iii) 1 year for a third or subsequent offense.""

Insert: Section 36. Section 61-5-208, MCA, is amended to read:

"**61-5-208. ~~Period~~ Duration of suspension or revocation -- limitation on issuance of probationary license -- notation on driver's license.** (1) The department may not suspend or revoke a driver's license or privilege to drive a motor vehicle on the public highways, except as permitted by law.

(2) (a) Except as provided ~~in 44-4-1205 and 61-2-302 and except as otherwise provided in this section~~ by law, a person whose license or privilege to drive a motor vehicle on the public highways has been suspended or revoked may not have the license, endorsement, or privilege renewed or restored until the revocation or suspension ~~period~~ duration has been completed.

~~(b) Subject to 61-5-231 and except as provided in subsection (4) of this section:~~

~~(i) upon receiving a report of a person's conviction or forfeiture of bail or collateral not vacated for a first offense of violating 61-8-401, 61-8-406, 61-8-411, or 61-8-465, the department shall suspend the driver's license or driving privilege of the person for a period of 6 months;~~

~~(ii) upon receiving a report of a person's conviction or forfeiture of bail or collateral not vacated for a second offense of violating 61-8-401, 61-8-406, 61-8-411, or 61-8-465 within the time period specified in 61-8-734, the department shall suspend the driver's license or driving privilege of the person for a period of 1 year and may not issue a probationary license during the period of suspension unless the person completes at least 45 days of the 1-year suspension and the report of conviction includes a recommendation from the court that a probationary driver's license be issued subject to the requirements of 61-8-442. If the 1-year suspension period passes and the person has not completed chemical dependency treatment, as required under 61-8-732, the license suspension remains in effect until treatment is completed.~~

~~(iii) upon receiving a report of a person's conviction or forfeiture of bail or collateral not vacated for a third or subsequent offense of violating 61-8-401, 61-8-406, 61-8-411, or 61-8-465] within the time period specified in 61-8-734, the department shall suspend the driver's license or driving privilege of the person for a period of 1 year and may not issue a probationary license during the period of suspension unless the person completes at least 90 days of the 1-year suspension and the report of conviction includes a recommendation from the court that a probationary driver's license be issued subject to the requirements of 61-8-442. If the 1-year suspension period passes and the person has not completed chemical dependency treatment, as required under 61-8-732, the license suspension remains in effect until treatment is completed.~~

(b) The department shall apply the appropriate sanction to the driver based on the reported and prior convictions, as

defined in 61-5-213, in this state or a violation of a similar statute or regulation in another state or on a federally recognized Indian reservation.

(c) The driver must pay all reinstatement and administrative fees owed to the department before a probationary license is issued or a driver's license or privilege to drive is restored.

~~(3) (a)~~ (d) Except as provided in subsection ~~(3)(b)~~ (2)(e) or as provided in 61-8-802, the ~~period~~ duration of the suspension or revocation ~~for a person convicted of any offense that makes mandatory the suspension or revocation of the person's driver's license~~ commences from the date of conviction, ~~or forfeiture of bail~~ as defined in 61-5-213, or from the date of the event mandating an administrative suspension or revocation.

~~(b)~~ (e) ~~A suspension commences from the last day of the prior suspension or revocation period if the suspension is for a conviction of driving with a suspended or revoked license.~~ If the reported conviction is for driving with a suspended or revoked license or while declared a habitual traffic offender, the suspension commences from the last day of the sanction that resulted in the offender being suspended.

~~(4)~~ (f) ~~If~~ In addition to any other permitted sanction, if a person is convicted of ~~a violation of 61-8-401, 61-8-406, 61-8-411, or 61-8-465~~ driving under the influence of alcohol or drugs while a commercial driver ~~while~~ operating a commercial motor vehicle, the department shall suspend the person's commercial driver's license or commercial privilege to drive as provided in 61-8-802.

(3) Upon receiving a report of a person's conviction for a misdemeanor offense of driving under the influence of alcohol or drugs, the department:

(a) for a misdemeanor first offense:

(i) shall suspend the driver's license or privilege to drive for 6 months; and

(ii) may issue a probationary license during the period of suspension, unless the report of conviction includes a statement that the court does not recommend a probationary license;

(b) for a misdemeanor second offense:

(i) shall suspend the driver's license or privilege to drive for 1 year;

(ii) may not issue a probationary license during the period of suspension until the person completes at least 180 days of the 1-year suspension, unless the department receives a report that:

(A) the person is enrolled in the 24/7 sobriety and drug monitoring program, as provided in 44-4-1203, and the report of conviction includes a recommendation from the court that a probationary license be issued subject to the requirements of [section 14]; or

(B) the person is enrolled in a DUI treatment court and the DUI court recommends a probationary license as provided in [section 16]; and

(iii) after the mandatory 180-day waiting period, may issue a probationary license when the court makes a recommendation for a probationary license as provided in [section 14] or for an out-of-state conviction upon receipt of proof of enrollment in an alcohol or drug education course or treatment as provided in [section 5];

(c) for a misdemeanor third offense or subsequent offense:

(i) shall suspend the driver's license or privilege to drive for 1 year;

(ii) may not issue a probationary license during the period of suspension until the person completes at least 180 days of the 1-year suspension, unless the department receives a report that:

(A) the person is enrolled in the 24/7 sobriety and drug monitoring program, as provided in 44-4-1203, and the report of conviction includes a recommendation from the court that a probationary license be issued subject to the requirements of [section 14]; or

(B) the person is enrolled in a DUI treatment court and the DUI court recommends a probationary license as provided in [section 16]; and

(iii) after the mandatory 180-day waiting period, may issue a probationary license when the court makes a recommendation for a probationary license as provided in [section 14] or for an out-of-state conviction upon receipt of proof of enrollment in an alcohol or drug education course or treatment as provided in [section 5].

(4) For a suspension ordered under subsection (3), the driver's license or privilege to drive must remain suspended until the duration of the suspension ends and the department receives proof of completion of mandatory treatment under [section 5].

(5) (a) Upon receiving a report of a person's conviction for a felony offense of driving under the influence of alcohol or drugs, the department:

(i) shall revoke the driver's license or privilege to drive for 1 year;

(ii) may not issue a probationary license until the person completes 180 days of the 1-year revocation;

(iii) shall mark on the person's driver license the duration of the restrictions; and

(iv) may issue a probationary license after the mandatory 180-day waiting period when the judgment has as a condition of probation that the person may not operate a motor vehicle unless:

(A) operation is authorized by the person's probation officer;

(B) a motor vehicle operated by the person is equipped with an ignition interlock device; or

(C) the person is enrolled in the 24/7 sobriety and drug monitoring program as provided in 44-4-1203.

(b) The department may not restore full driving privileges until the duration of the revocation period ends and the

department receives proof of completion of treatment as required in [section 5].

(6) Upon receiving a report of a person's conviction for driving under the influence of alcohol or drugs while under 21 years of age with a blood alcohol concentration of greater than 0.02 and less than 0.08, the department:

(a) for a first offense:

(i) shall suspend the driver's license or privilege to drive for a duration of 6 months; and

(ii) may issue a probationary license if the person was under 18 years of age at the time of the offense and completed at least 60 days of the suspension period;

(b) for a second offense:

(i) shall suspend the driver's license or privilege to drive for 1 year;

(ii) may issue a probationary license if the person was under 18 years of age at the time of the offense and completed at least 60 days of the suspension period.

~~(5) (a) A driver's license that is issued after a license revocation to a person described in subsection (5)(b) must be clearly marked with a notation that conveys the term of the person's probation restrictions.~~

~~(b) The provisions of subsection (5)(a) apply to a license issued to a person for whom a court has reported a felony conviction under 61-8-731, the judgment for which has as a condition of probation that the person may not operate a motor vehicle unless:~~

~~(i) operation is authorized by the person's probation officer; or~~

~~(ii) a motor vehicle operated by the person is equipped with an ignition interlock device.~~""

Insert: Section 37. Section 61-5-212, MCA, is amended to read:

"**61-5-212. Driving while license suspended or revoked -- penalty -- second offense of driving without licensing exemption.** (1) (a) A person commits the offense of driving a motor vehicle without statutory exemption or during a suspension or revocation period if the person drives:

(i) a motor vehicle on any public highway of this state at a time when the person's privilege to drive or apply for and be issued a driver's license is suspended or revoked in this state or any other state unless the person has obtained a restricted-use driving permit under 61-5-232;

(ii) a commercial motor vehicle while the person's commercial driver's license is revoked, suspended, or canceled in this state or any other state or the person is disqualified from operating a commercial motor vehicle or from obtaining a commercial driver's license; or

(iii) a motor vehicle on any public highway of this state without proof of a statutory exemption, as provided in 61-5-104.

(b) (i) A person convicted of the offense of driving a motor vehicle without proof of a statutory exemption for the

second time shall be punished by imprisonment for not less than 2 days or more than 6 months and may be fined not more than $500.

(ii) Except as provided in subsection (1)(b)(iii), a person convicted of the offense of driving during a suspension or revocation period shall be fined an amount not to exceed $500 or be imprisoned for a term of not more than 6 months, or both.

(iii) If the reason for the suspension or revocation was that the person was convicted of a violation of ~~61-8-401, 61-8-406, or 61-8-411~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] or a similar offense under the laws of any other state or the suspension was under ~~61-8-402 or 61-8-409~~ [section 8] or a similar law of any other state for refusal to take a test for alcohol or drugs requested by a peace officer who believed that the person might be driving under the influence, the person shall be imprisoned for a term of not less than 2 days or more than 6 months or be fined an amount not to exceed $2,000, or both, and in addition, the court may order the person to perform up to 40 hours of community service.

(2) (a) Upon receiving a record of the conviction of any person under this section upon a charge of driving a noncommercial vehicle while the person's driver's license, privilege to drive, or privilege to apply for and be issued a driver's license was suspended or revoked, the department shall extend the period of suspension or revocation for an additional 1-year period.

(b) Upon receiving a record of the conviction of any person under this section upon a charge of driving a commercial motor vehicle while the person's commercial driver's license was revoked, suspended, or canceled or the person was disqualified from operating a commercial motor vehicle under federal regulations, the department shall suspend the person's commercial driver's license in accordance with 61-8-802.""

Insert: Section 38. Section 61-5-218, MCA, is amended to read:

"61-5-218. License reinstatement fee following license suspension or revocation. (1) Except as provided in subsection (2), a person whose driver's license, other than a commercial driver's license, or driving privilege has been suspended or revoked shall pay a reinstatement fee of $100 to the department to have the driver's license or driving privilege reinstated.

(2) (a) A person whose driver's license or driving privilege was suspended or revoked under 61-5-205 or ~~61-8-402~~ [section 8] shall pay a reinstatement fee as required by 61-2-107.

(b) A driver's license or driving privilege that was suspended or revoked under 61-5-207 must be reinstated without payment of a reinstatement fee.

(c) The reinstatement fee required under subsection (1) must be waived by the department when a court notifies the department that the person has satisfied the requirements of 61-5-214(2) and the court has determined that the person is indigent under the standards set forth in 47-1-111.

(3) The department shall deposit the fees collected under subsection (1) in the general fund.""

Insert: Section 39. Section 61-5-231, MCA, is amended to read:

"**61-5-231. Authorization of probationary license by DUI court ~~--definition~~.** (1) If a person convicted of a second or subsequent misdemeanor offense of driving under the influence of alcohol or drugs under ~~61-8-401 or 61-8-411~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)], driving with excessive alcohol concentration under ~~61-8-406~~ [section 2(1)(b), (1)(c), or (1)(d)], or aggravated driving under the influence ~~under 61-8-465~~ as defined in [section 1] is participating in a DUI court as defined in [section 1], the court may, in the court's discretion, authorize a probationary driver's license for the participant subject to ~~61-8-442~~ [section 6] and any other conditions imposed within the scope of the court's authority.

(2) If the participant fails to comply with the court's conditions, the court may revoke the probationary driver's license and impose a driver's license suspension for the time period established pursuant to 61-5-208 commencing from the date of the court's revocation of the probationary license.

~~(3) For purposes of this section, "DUI court" means any court that has established a special docket for handling cases involving persons charged with violations under 61-8-401, 61-8-406, 61-8-411, or 61-8-465 and that implements a program of incentives and sanctions intended to assist a participant in completing treatment ordered pursuant to 61-8-732 and ending the participant's criminal behavior associated with driving under the influence of alcohol or drugs or with excessive alcohol concentration.~~""

Insert: Section 40. Section 61-5-405, MCA, is amended to read:

"**61-5-405. Offenses furnishing ground for suspension or revocation of license -- return to licensing jurisdiction of abstracts of court records and reports of conviction.** (1) Items enumerated in Article IV(1), subsections (a), (b), (c), and (d), of 61-5-401 refer specifically to 45-5-103, 45-5-104, ~~61-8-401~~ [section 2], the definition of felony as provided in 45-2-101, and 61-7-105, respectively.

(2) In addition to convictions mentioned in subsection (1), the department, for the purpose of suspension, revocation, or limitation of the license to operate a motor vehicle, shall give the same effect to the conduct reported as it would if the conduct had occurred in this state for:

(a) convictions of perjury or the making of a false affidavit relating to the ownership or operation of a motor vehicle (61-5-303);

(b) three convictions of reckless driving committed within a period of 12 months (61-8-301); or

(c) convictions of careless driving resulting in death or reckless driving resulting in death.

(3) Court abstracts or reports of conviction received by

the department that name an individual licensed in another jurisdiction must be forwarded to the jurisdiction of licensure. The department may not take action against the driver's license or driving privilege of the individual as may be required elsewhere in this title.""

Insert: Section 41. Section 61-8-101, MCA, is amended to read:

"**61-8-101. Application -- exceptions.** (1) As used in this chapter, "ways of this state open to the public" means any highway, road, alley, lane, parking area, or other public or private place adapted and fitted for public travel that is in common use by the public.

(2) The provisions of this chapter relating to the operation of vehicles refer exclusively to the operation of vehicles upon highways except:

(a) where a different place is specifically referred to in a given section;

(b) the provisions of 61-8-301 and ~~61-8-401(1)(b), (1)(c), and (2)~~ [section 2(1) and (2)], with regard to operating a vehicle while under the influence of drugs, apply anywhere within this state;

(c) the provisions of 61-8-301 and ~~61-8-401 except subsections (1)(b), (1)(c), and (2) thereof, 61-8-402 through 61-8-405, and 61-8-465~~ [section 2], except under the influence of a dangerous drug and [section 2(2)], with regard to operating a vehicle while under the influence of alcohol, apply upon all ways of this state open to the public.

(3) The operation of motor vehicles directly across the public roads and highways of this state, especially as required in the transportation of natural resource products, including agricultural products and livestock, shall not be considered to be the operation of such vehicles on the public roads and highways of this state or on ways of this state open to the public, provided that such crossings are adequately marked with warning signs or devices. Such crossings are subject to provisions relating to stopping before entry and to restoration of any damage as may reasonably be prescribed by the state or local agency in control of safety of operation of the public highway involved.""

Insert: Section 42. Section 61-8-102, MCA, is amended to read:

"**61-8-102. Uniformity of interpretation -- definitions.** (1) Interpretation of this chapter in this state must be as consistent as possible with the interpretation of similar laws in other states.

(2) As used in this chapter, unless the context requires otherwise, the following definitions apply:

(a) "Authorized emergency vehicle" means a vehicle of a governmental fire agency organized under Title 7, chapter 33, an ambulance, or an emergency vehicle designated or authorized by the department.

(b) "Bicycle" means a vehicle propelled solely by human power on which any person may ride, irrespective of the number of

wheels, except scooters, wheelchairs, and similar devices. The term includes an electrically assisted bicycle.

(c) "Bicycle trailer" means a device with one or more wheels that is designed to be towed by a bicycle.

(d) "Business district" means the territory contiguous to and including a highway when within any 600 feet along a highway there are buildings in use for business or industrial purposes, including but not limited to hotels, banks, office buildings, railroad stations, and public buildings that occupy at least 300 feet of frontage on one side or 300 feet collectively on both sides of the highway.

(e) "Controlled-access highway" means a highway, street, or roadway in respect to which owners or occupants of abutting lands and other persons have no legal right of access to or from the highway, street, or roadway except at the points and in the manner as determined by the public authority having jurisdiction over the highway, street, or roadway.

(f) "Crosswalk" means:

(i) that part of a roadway at an intersection included within the connections of the lateral lines of the sidewalks on opposite sides of the highway measured from the curbs or, in the absence of curbs, from the edges of the traversable roadway; or

(ii) any portion of a roadway at an intersection or elsewhere distinctly indicated for pedestrians crossing by lines or other markings on the surface.

(g) "Electrically assisted bicycle" means a vehicle on which a person may ride that has two tandem wheels and an electric motor capable of propelling the vehicle and a rider who weighs 170 pounds no faster than 20 miles an hour on a paved, level surface.

(h) "Flag person" means a person who directs, controls, or alters the normal flow of vehicular traffic on a street or highway as a result of a vehicular traffic hazard then present on that street or highway. This person, except a uniformed traffic enforcement officer exercising the officer's duty as a result of a planned vehicular traffic hazard, must be equipped as required by the rules of the department of transportation.

(i) "Highway" has the meaning provided in 61-1-101, but includes ways that have been or are later dedicated to public use.

(j) "Ignition interlock device" means ignition equipment that:

(i) analyzes the breath to determine blood alcohol concentration;

(ii) is approved by the department pursuant to ~~61-8-441~~ [section 13]; and

(iii) is designed to prevent a motor vehicle from being operated by a person who has consumed a specific amount of an alcoholic beverage.

(k) (i) "Intersection" means the area embraced within the prolongation or connection of the lateral curb lines or if there

are no curb lines then the lateral boundary lines of the roadways of two highways that join one another at or approximately at right angles or the area within which vehicles traveling on different highways joining at any other angle may come in conflict.

(ii) When a highway includes two roadways 30 feet or more apart, then every crossing of each roadway of the divided highway by an intersecting highway must be regarded as a separate intersection. If the intersecting highways also include two roadways 30 feet or more apart, then every crossing of two roadways of the highways must be regarded as a separate intersection.

(l) "Laned roadway" means a roadway that is divided into two or more clearly marked lanes for vehicular traffic.

(m) "Local authorities" means every county, municipal, and other local board or body having authority to enact laws relating to traffic under the constitution and laws of this state.

(n) "Moped" means a vehicle equipped with two or three wheels, foot pedals to permit muscular propulsion, and an independent power source providing a maximum of 2 brake horsepower. The power source may not be capable of propelling the device, unassisted, at a speed exceeding 30 miles an hour on a level surface. The device must be equipped with a power drive system that functions directly or automatically only and does not require clutching or shifting by the operator after the drive system is engaged.

(o) "Noncommercial motor vehicle" or "noncommercial vehicle" means any motor vehicle or combination of motor vehicles that is not included in the definition of commercial motor vehicle in 61-1-101 and includes but is not limited to the vehicles listed in 61-1-101(9)(b).

(p) "Official traffic control devices" means all signs, signals, markings, and devices not inconsistent with this title that are placed or erected by authority of a public body or official having jurisdiction for the purpose of regulating, warning, or guiding traffic.

(q) "Pedestrian" means any person on foot or any person in a manually or mechanically propelled wheelchair or other low-powered, mechanically propelled vehicle designed specifically for use by a physically disabled person.

(r) "Police vehicle" means a vehicle used in the service of any law enforcement agency.

(s) "Private road" or "driveway" means a way or place in private ownership and used for vehicular travel by the owner and those having express or implied permission from the owner, but not by other persons.

(t) "Residence district" means the territory contiguous to and including a highway not comprising a business district when the property on the highway for a distance of 300 feet or more is primarily improved with residences or residences and buildings in use for business.

(u) "Right-of-way" means the privilege of the immediate use of the roadway.

(v) "Roadway" means the portion of a highway that is improved, designed, or ordinarily used for vehicular travel, including the paved shoulder.

(w) "School bus" has the meaning provided in 20-10-101.

(x) "Sidewalk" means the portion of a street that is between the curb lines or the lateral lines of a roadway and the adjacent property lines and that is intended for use by pedestrians.

(y) "Traffic control signal" means a device, whether manually, electrically, or mechanically operated, by which traffic is alternately directed to stop and to proceed.

(z) "Urban district" means the territory contiguous to and including any street that is built up with structures devoted to business, industry, or dwelling houses situated at intervals of less than 100 feet for a distance of one-fourth mile or more.""

Insert: Section 43. Section 61-8-805, MCA, is amended to read:

"61-8-805. Suspension for operating commercial vehicle with alcohol concentration of 0.04 or more -- hearing. (1) A person whose alcohol concentration is 0.04 or more while the person drives or is in actual physical control of a commercial motor vehicle is subject to the suspension of the person's commercial driver's license or commercial privilege to drive. The peace officer who determines that the person is operating a commercial motor vehicle with an alcohol concentration of 0.04 or more shall immediately seize the person's commercial driver's license and, on behalf of the department, give the person written notice of the license suspension and the right to a hearing under 61-8-808. Upon receipt of a report certified under penalty of law from the peace officer that the person was operating a commercial motor vehicle with an alcohol concentration of 0.04 or more, the department shall apply a major offense to the driving record and take the appropriate suspension as provided in 61-8-802. ~~suspend the license, with no provision for a restricted probationary commercial license, for:~~

~~(a) 1 year, upon receipt of the first report of a 0.04 or more alcohol concentration violation, except that if the violation occurred in a commercial motor vehicle transporting placardable hazardous materials, the suspension must be for 3 years; and~~

~~(b) life, upon receipt of a second or subsequent 0.04 or more alcohol concentration violation report at any time as determined from the records of the department, subject to federal rules allowing for driver rehabilitation and license reinstatement, if otherwise eligible, upon service of a minimum period of 10 years' suspension.~~

(2) A peace officer who determines that a commercial motor vehicle operator has a measured amount or detected presence of alcohol in the operator's body while operating a commercial motor vehicle shall place the commercial motor vehicle operator out of

service as mandated by federal regulations for 24 hours.

(3) The fact that a person charged with a violation of the provisions of subsection (1) is entitled to use alcohol under the laws of Montana is not a defense against a charge of violating the provisions of subsection (1).

(4) For purposes of this section, a conviction for violation of ~~61-8-401 or 61-8-406~~ [section 2(1)(a), (1)(b), (1)(c), (1)(d), or (1)(e)] while operating a commercial motor vehicle or a prior refusal to be tested under an implied consent law must be treated as a prior report of a 0.04 or more alcohol concentration violation and must be used in determining the length of the license suspension ~~under subsection (1)~~.""

Insert: Section 44. Section 61-8-807, MCA, is amended to read:

"61-8-807. Administration of tests. Tests required under this part must be administered as provided in ~~61-8-405~~ [section 11]."

Insert: Section 45. Section 61-11-101, MCA, is amended to read:

"61-11-101. Report of convictions and suspension or revocation of driver's licenses -- surrender of licenses. (1) If a person is convicted of an offense for which chapter 5 or chapter 8, part 8, makes mandatory the suspension or revocation of the driver's license or commercial driver's license of the person by the department, the court in which the conviction occurs shall require the surrender to it of all driver's licenses then held by the convicted person. The court shall, within 5 days after the conviction, forward the license and a record of the conviction to the department. If the person does not possess a driver's license, the court shall indicate that fact in its report to the department.

(2) A court having jurisdiction over offenses committed under a statute of this state or a municipal ordinance regulating the operation of motor vehicles on highways, except for standing or parking statutes or ordinances, shall forward a record of the conviction, as defined in 61-5-213, to the department within 5 days after the conviction. The court may recommend that the department issue a restricted probationary license on the condition that the individual comply with the requirement that the person attend and complete a chemical dependency education course, treatment, or both, as ordered by the court under ~~61-8-732~~ [section 5].

(3) A court or other agency of this state or of a subdivision of the state that has jurisdiction to take any action suspending, revoking, or otherwise limiting a license to drive shall report an action and the adjudication upon which it is based to the department within 5 days on forms furnished by the department.

(4) (a) On a conviction referred to in subsection (1) of a person who holds a commercial driver's license or who is required to hold a commercial driver's license, a court may not take any action, including deferring imposition of judgment, that would

prevent a conviction for any violation of a state or local traffic control law or ordinance, except a parking law or ordinance, in any type of motor vehicle, from appearing on the person's driving record. The provisions of this subsection (4)(a) apply only to the conviction of a person who holds a commercial driver's license or who is required to hold a commercial driver's license and do not apply to the conviction of a person who holds any other type of driver's license.

(b) For purposes of this subsection (4), "who is required to hold a commercial driver's license" refers to a person who did not have a commercial driver's license but who was operating a commercial motor vehicle at the time of a violation of a state or local traffic control law or ordinance resulting in a conviction referred to in subsection (1).

(5) (a) If a person who holds a valid registry identification card or license issued pursuant to 50-46-307 or 50-46-308 is convicted of or pleads guilty to any offense related to driving under the influence of alcohol or drugs when the initial offense with which the person was charged was a violation of ~~61-8-401, 61-8-406, 61-8-410, or 61-8-411~~ [section 2(1)], the court in which the conviction occurs shall require the person to surrender the registry identification card or license.

(b) Within 5 days after the conviction, the court shall forward the registry identification card and a copy of the conviction to the department of public health and human services.""

Insert: Section 46. Section 67-1-211, MCA, is amended to read:

"**67-1-211. Alcohol concentration standards -- evidence admissible -- administration of tests.** (1) If a person acting or attempting to act as a crewmember of an aircraft has an alcohol concentration, as defined in [section 1], of 0.04% by weight or more ~~as defined in 61-8-407~~, it may be inferred that the person is under the influence of alcohol and is in violation of 67-1-204.

(2) Evidence of any measured amount or detected presence of alcohol in the person at the time of the act alleged under subsection (1) and any other competent evidence bearing on the question of whether the person was under the influence of alcohol, drugs, or a combination of the two at the time of the act alleged is admissible in any criminal action or proceeding arising out of acts alleged to have been committed in violation of 67-1-204.

(3) In any criminal action or proceeding arising out of acts alleged to have been committed in violation of 67-1-204, the court or jury may consider federal regulations governing aeronautics.

(4) A person who operates an aircraft over the lands and waters of this state is considered to have given consent to a test of the person's blood, breath, or urine for the purpose of determining any measured amount or detected presence of alcohol in the person's body if arrested by a peace officer for

operating, attempting to operate, or being in actual physical control of an aircraft while under the influence of alcohol, drugs, or a combination of the two. The test must be administered at the direction of a peace officer who has reasonable grounds to believe the person was operating, attempting to operate, or in actual physical control of an aircraft while under the influence of alcohol, drugs, or a combination of the two. The arresting officer may designate which of the tests must be administered. A person who is unconscious or who is otherwise in a condition rendering the person incapable of refusal is considered not to have withdrawn the consent provided by this subsection.

(5) If a person charged with a violation of 67-1-204 refuses to submit to a test of the person's blood, breath, or urine for the purpose of determining any measured amount or detected presence of alcohol in the person's body, a test will not be given, but proof of refusal is admissible in any criminal action or proceeding arising out of acts alleged to have been committed in violation of 67-1-204.

(6) The provisions relating to administration of tests provided in ~~61-8-405~~ [section 11] and the definition of alcohol concentration provided in ~~61-8-407~~ [section 1] apply to any testing done to determine any measured amount or detected presence of alcohol in a person and the alcohol concentration of a person charged with violation of 67-1-204.""

Insert: NEW SECTION. **Section 47. Repealer.** The following sections of the Montana Code Annotated are repealed:

61-8-401. Driving under influence of alcohol or drugs -- definitions.
61-8-402. Implied consent -- blood or breath tests for alcohol, drugs, or both -- refusal to submit to test -- administrative license suspension.
61-8-403. Right of appeal to court.
61-8-404. Evidence admissible -- conditions of admissibility.
61-8-405. Administration of tests.
61-8-406. Operation of noncommercial vehicle by person with alcohol concentration of 0.08 or more -- operation of commercial vehicle by person with alcohol concentration of 0.04 or more.
61-8-407. Definition of alcohol concentration.
61-8-408. Multiple convictions prohibited.
61-8-409. Preliminary alcohol screening test.
61-8-410. Operation of vehicle by person under 21 years of age with alcohol concentration of 0.02 or more.
61-8-411. Operation of noncommercial vehicle or commercial vehicle by person under influence of delta-9-tetrahydrocannabinol.
61-8-421. Forfeiture procedure.
61-8-422. Prohibition on transfer, sale, or encumbrance of vehicles subject to forfeiture -- penalty.
61-8-440. Ignition interlock device -- assisting in starting and operating -- circumventing -- penalty.

61-8-441. Department rules regarding ignition interlock devices -- ignition interlock device provider requirements.
61-8-442. Driving under influence of alcohol or drugs -- driving with excessive alcohol concentration -- ignition interlock device -- 24/7 sobriety and drug monitoring program -- forfeiture of vehicle.
61-8-460. Unlawful possession of open alcoholic beverage container in motor vehicle on highway.
61-8-461. Definitions.
61-8-465. Aggravated DUI.
61-8-714. Penalty for driving under influence of alcohol or drugs -- first through third offense.
61-8-722. Penalty for driving with excessive alcohol concentration or delta-9-tetrahydrocannabinol level -- first through third offense.
61-8-731. Driving under influence of alcohol or drugs -- driving with excessive alcohol concentration -- under influence of delta-9-tetrahydrocannabinol -- aggravated driving under the influence -- penalty for fourth or subsequent offense.
61-8-732. Driving under influence of alcohol or drugs -- driving with excessive alcohol concentration -- assessment, education, and treatment required.
61-8-733. Driving under influence of alcohol or drugs -- driving with excessive alcohol concentration -- ignition interlock device -- 24/7 sobriety and drug monitoring program -- forfeiture of vehicle.
61-8-734. Driving under influence of alcohol or drugs -- driving with excessive alcohol concentration -- conviction defined -- place of imprisonment -- home arrest -- exceptions -- deferral of sentence not allowed.
61-8-741. Suspension of imprisonment sentence for DUI court participation -- DUI court defined."

Insert: NEW SECTION. **Section 48. Codification instruction.** [Sections 1 through 17] are intended to be codified as an integral part of Title 61, chapter 8, and the provisions of Title 61, chapter 8, apply to [sections 1 through 17]."

Insert: "COORDINATION SECTION. **Section 49. Coordination instruction.** If both Senate Bill No. 362 and [this act] are passed and approved and if both bills amend sections 44-4-1202, 44-4-1203, and 44-4-1205, then Senate Bill No. 362 is void."

Insert: "COORDINATION SECTION. **Section 50. Coordination instruction.** If both Senate Bill No. 346 and [this act] are passed and approved and if [this act] amends 61-5-125 and Senate Bill No. 346 repeals 61-5-125, then [section 30] of Senate Bill No. 346 is void and [section 23] of Senate Bill No. 346 must read as follows:

"NEW SECTION. **Section 23. Rulemaking authority -- driver's licenses and identification cards.** (1) The department may adopt rules to administer and enforce the provisions of Title 61,

chapter 5.

(2) The department may adopt rules governing acceptable methods of proof of identification, including name, date of birth, and authorized presence, that an individual must submit when applying for a license or identification card, including a new, renewal, or replacement license or identification card.

(3) The department may adopt rules governing the determination of the driver's license expiration date, minimum and maximum license terms, and license renewal requirements for a driver's license issued to a person who is a foreign national whose presence in the United States is temporarily authorized under federal law.

(4) The department shall adopt rules governing the calculation of grace periods for renewals and the calculation of other time periods established by statute or federal regulation.

(5) The department may adopt rules governing the renewal of a driver's license by a person in the military assigned to active duty who had a valid Montana driver's license at the time of entering active duty.

(6) The department shall adopt rules to set the standards for driver license examinations and reexaminations.

(7) The department may adopt rules to set the standards for photographs, certifications, and signature requirements for the issuance of driver's licenses.

(8) The department shall adopt rules establishing the functional abilities and skills required to exercise ordinary and reasonable control to safely operate a motor vehicle. The rules:

(a) must include operational restrictions based on the driver's ability and skills;

(b) may direct the design of one or more types of skills tests. A skills test may consist of:

(i) a comprehensive assessment of a person's functional abilities by means of an actual demonstration of the applicant's ability to exercise ordinary and reasonable control in the safe operation of a motor vehicle; or

(ii) a more limited assessment of a person's functional abilities, conducted at the discretion of the department, as related to a specific physical or mental condition or conditions or a request for reexamination.

(c) must include appropriate licensing criteria relating to the use of adaptive equipment or operational limits that can be readily discerned by law enforcement or a licensing agency in another jurisdiction.

(9) The department shall adopt rules establishing vision requirements for a person to safely operate a motor vehicle. The rules:

(a) must include the minimum uncorrected or corrected visual acuity requirements for both unrestricted and restricted licenses and operational restrictions based on the visual acuity of an applicant or licensee, including the use of bioptic lenses; and

(b) may include minimum field of vision and depth perception

requirements for both unrestricted and restricted licenses.

(10) The rules in subsections (8) and (9):

(a) may take into consideration any nationally recognized standards or recommended practices or standards of other jurisdictions for assessment of a person's functional abilities and skills;

(b) may be derived from medical guidelines and information compiled by driver licensing medical advisory or review boards from other jurisdictions, as well as information received from advocacy groups for persons with disabilities and senior citizens; and

(c) except as provided in 61-5-105, may not use a person's age or a person's physical or mental disability, limitation, or condition as a justification for the denial of a license.

(11) The department shall adopt rules governing the issuance of a restricted learner license, including when the department may issue a restricted learner license to allow for a driver to practice driving skills.

(12) The department shall adopt rules governing the issuance of a hardship license to a person who is at least 13 years of age and because of individual hardship needs a restricted driver's license, including a person who holds a learner license under 61-5-106. The department must consider, among other criteria, whether a hardship license is needed because the applicant's parent or guardian is not available to accompany the licensee, whether due to employment or circumstances related to the operation of a farm or ranch or because the parent or guardian does not hold a valid driver's license, and the licensee is required to drive to the licensee's school bus stop.

(13) The department may adopt rules governing probationary licenses, including:

(a) issuance to a person whose license has been suspended or revoked or whose license is subject to a discretionary suspension or revocation;

(b) the establishment of restrictions and duration placed on a probationary license;

(c) the expiration of a probationary license;

~~(d) the cancellation of a probationary license for violating the restrictions on the probationary license or for another law violation; and~~

(d) issuance and cancellation of probationary or restricted driver's licenses, including the requirements for issuing a probationary license when the person is convicted in an out-of-state jurisdiction;

(e) the determination of the appropriate sanction to apply based on a conviction or administrative action, including the duration and requirements for restoration;

(f) the procedures for the collection, distribution, and strict accountability of any funds received for fees collected for an implied consent refusal; and

~~(e)~~(g) the issuance, withdrawal, and monitoring of a

restricted-use driving permit issued under 61-5-232.

(14) The department may adopt rules governing the requirements for a veteran designation on a driver's license or identification card.

(15) The department may adopt rules governing the issuance of a replacement driver's license.

(16) The department may adopt rules governing the certification process for cooperative driver testing program instructors.

(17) The department may adopt rules for the implementation of online driver's license renewal.

(18) The department shall adopt rules governing the issuance, renewal, and cancellation of identification cards that align with the proof of identity, residence, and authorized presence standards for a driver's license.

(19) The department may adopt rules for determining moving violations.

(20) The department may adopt rules for charging a fee for not appearing at a scheduled commercial skills test or motorcycle test and for the waiver of the fee for good cause shown.

(21) The department may adopt rules governing the conditions under which an applicant is eligible to receive a driver's license or identification card by expedited service and to set the fee for expedited service.

(22) The department may adopt rules to implement any other provision of this title.""

Insert: "COORDINATION SECTION. **Section 51. Coordination instruction.** If [this act], [House Bill No. 2], and [Senate Bill No. 352] are passed and approved, then [the section providing appropriations for Senate Bill No. 65] in [Senate Bill No. 352] must read:

"If [this act], [House Bill No. 2], and [Senate Bill No. 352] are passed and approved, then [House Bill No. 2] is amended to include a new section that reads:

"NEW SECTION. **Section 13. Appropriations.** (1) There is appropriated to the department of justice, forensic sciences division, $142,688 from the general fund for the fiscal year beginning July 1, 2019, and $86,376 from the general fund for the fiscal year beginning July 1, 2020, for the purpose of complying with [House Bill No. 685].

(2) There is appropriated to the department of justice, Montana highway patrol, $26,830 from the state special revenue account established in 44-1-110 for the fiscal year beginning July 1, 2019, and $14,430 from the state special revenue account established in 44-1-110 for the fiscal year beginning July 1, 2020, for the purpose of complying with [House Bill No. 685].

(3) There is appropriated to the office of state public defender $62,081 from the general fund for the fiscal year beginning July 1, 2019, and $125,506 from the general fund for the fiscal year beginning July 1, 2020, for the purpose of complying with [House Bill No. 685]."""

Renumber: subsequent sections

4. Page 1, line 13.
Strike: "July 1, 2019"
Insert: "January 1, 2020"
Insert: NEW SECTION. **Section 53. Applicability.** [This act] applies to DUI incidents taking place on or after January 1, 2020."

- END -

MONTANA STATE SENATE
Visitors Register
SENATE FINANCE AND CLAIMS COMMITTEE

Saturday, April 13, 2019
HB 660 - Create Mobile Crisis Unit Grant Program
Sponsor: **Rep. Joel Krautter (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Keith Newmeyer	SelG	X		
Joan Branscum	MMA	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE FINANCE AND CLAIMS COMMITTEE

Saturday, April 13, 2019
HB 661 - Revise aviation fuel taxation
Sponsor: **Rep. Geraldine Custer (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Larry Flynn	MDT			X
Rogen Webb	SD 23		X	
John McKenna	Pilots for MT Airports	X		
Aidan Mylne	AHA		X	
Bob Gilbert	MTSA	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE FINANCE AND CLAIMS COMMITTEE

Saturday, April 13, 2019
HB 685 - Implement provisions of HB2, Sec D - Judiciary, Law Enf, Justice
Sponsor: **Rep. Matt Regier (R)**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Jon Metropoulos	[redacted] - Self		X	
John MacDonald	MT Newspaper Assoc		X	
John Iverson	AMS		X	

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

Zimbra

Additional Documents
SENATE: Finance & Claims
Date: 4-13-19
Bill No. HB 661

eric.moore@mtleg.gov

Other states aviation tax

From : Todd Devlin <mtdevlin@gmail.com> Thu, Mar 28, 2019 12:28 PM
Subject : Other states aviation tax
To : Eric Moore <Eric.Moore@mtleg.gov>

> Georgia- 4% sales tax with 1% local option tax. Zero cents on jet fuel now, but regulation states subject to 7.5 cents (remember that the airline industry testified that the was no fuel tax in Georgia ..... Well that is true, but they didn't talk about the 4% sales tax that would convert to 8 cents a gallon at $2 per gallon which does not including local option tax or that it was subject to an additional 7.5 cents. So when converted to cents of tax on $2 fuel, the actual tax per gallon can be between 8 cents and 16.5 cents.
>
> Colorado- 2.9% sales tax and 4 cents per gallon. At $2 per gallon, that converts to 7.8 cents of tax per gallon total.
>
> Washington - 6.5% sales tax and 11 cents per gallon. At $2 per gallon, that converts to 24 cents per gallon tax.
>
> California- 7.5% sales tax and 2 cents per gallon. At $2 per gallon, that converts to 17 cents per gallon tax.
>
> Minnesota- 6.875% sales tax and 5 cents per gallon. At $2 per gallon, that converts to 18.75 cents per gallon tax. Plus a 1 cent per gallon inspection fee and a 2 cent cleanup fee for a total of almost 23 cents per gallon.
>
> North Dakota- 5% sales tax and 8 cents per gallon. At $2 per gallon, that converts to 18 cents per gallon.
>
> Hawaii - 4% sales tax and 1 cent per gallon. At $2 per gallon, that converts to 9 cents per gallon tax.
>
> Idaho- 6% sales tax and 6 cents per gallon. At $2 per gallon, that converts to 18 cents per gallon tax.
>
> Nevada- 6.85% sales tax and 1 cent state wide with 4 cent local option. At $2 per gallon, that converts to 14.7 cents to 18.7 cents per gallon tax depending on local option tax.

Eric ..... I do not know if there is rebates and such in any of these states. My sources were:
>
>
https://www.taxadmin.org/assets/docs/MotorFuel/2018%20Motor%20Fuel%20Tax%20Information

%20by%20State%20Book.pdf

https://files.taxfoundation.org/20180313143458/Tax-Foundation-FF572.pdf

>

>

> Thank you for your time, Todd Devlin

> Prairie County Commissioner

> Federal Land Payments Chair - NACo

> MACO Has Been